

# The NATIONAL UNDERWRITER



## MYSTERIOUS DISAPPEARANCE OF SILVERWARE MARS FASHIONABLE WEDDING

No Clue to Bold Thief Who  
Robbed Abernathy Residence  
During Marriage Ceremony

An unusually clever sneak thief entered the home of John B. Abernathy on East River Road last night about six o'clock, while the couple's debutante daughter, Margaret Roberta, was being united in marriage with Mr. Henry E. Montgomery, and made away with several hundred dollars' worth of sterling silver, gifts to the bride. The intruder had evidently watched his chance carefully, for the house was ablaze with lights and filled with guests and servants. The loss was not discovered until the conclusion of the ceremony, when the police were notified. According to reports, there was not the slightest clue as to the thief's identity.

## COMPLETE LOSS—but for One Man's Advice

"You can imagine what a wet blanket it threw over the wedding," observed the bride's father. "We were all terribly upset. But thanks to *one man*, my daughter still gets her silver. We lost no time instructing the silversmith to duplicate the order.

"You see, an insurance man called on me, shortly after the engagement was announced, to interest me in what he called *Wedding Presents Insurance*. The rate was low, the coverage complete, and since I knew the

value of the wedding presents would amount to a sizable figure, I bought the insurance. Glad now I did. Thanks to that *one man's* advice, the proceeds from the policy will cover the cost of replacing the silver."

The *one man* of this story was an F. & G. FIRE representative—again demonstrating that the agent or broker who persists in selling his clients needed protection is acclaimed for his persistence when a loss occurs.

*Consult your Agent or Broker as you would your Doctor or Lawyer*

## F. & G. FIRE

FIDELITY & GUARANTY FIRE CORPORATION affiliated with UNITED STATES FIDELITY & GUARANTY COMPANY

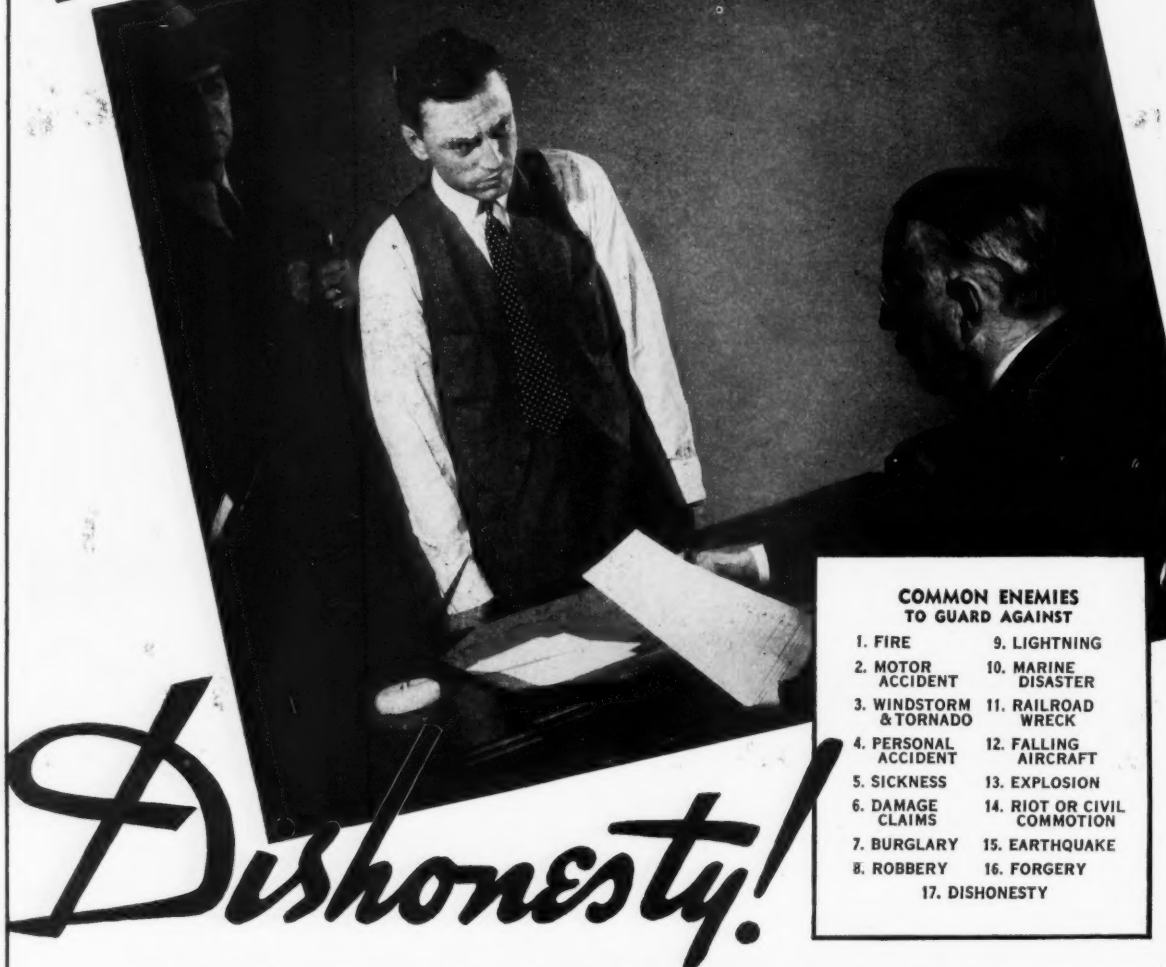
HOME OFFICES, BALTIMORE



## U. S. F. & G.

THURSDAY, JUNE 24, 1937

# PUBLIC Enemy NO. 17



## COMMON ENEMIES TO GUARD AGAINST

- |                        |                             |
|------------------------|-----------------------------|
| 1. FIRE                | 9. LIGHTNING                |
| 2. MOTOR ACCIDENT      | 10. MARINE DISASTER         |
| 3. WINDSTORM & TORNADO | 11. RAILROAD WRECK          |
| 4. PERSONAL ACCIDENT   | 12. FALLING AIRCRAFT        |
| 5. SICKNESS            | 13. EXPLOSION               |
| 6. DAMAGE CLAIMS       | 14. RIOT OR CIVIL COMMOTION |
| 7. BURGLARY            | 15. EARTHQUAKE              |
| 8. ROBBERY             | 16. FORGERY                 |
|                        | 17. DISHONESTY              |

Regrettable but true, MILLIONS are lost annually through dishonesty of trusted employees, proving the "Human Factor" to be a formidable business hazard.

The honest employee today may be an embezzler tomorrow. INSURE his continued honesty and back him with the restraining power of a BOND.

Can any business afford to go without Fidelity insurance when every day's news records the ravages of that vicious "Public Enemy" DISHONESTY?

## LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey - ORGANIZED 1855

The Girard Fire & Marine Insurance Co. ORGANIZED 1853  
 The Mechanics Insurance Co. of Philadelphia " 1854  
 Superior Fire Insurance Company " 1871  
 The Metropolitan Casualty Insurance Co. of N.Y. " 1874

Milwaukee Mechanics' Insurance Company ORGANIZED 1852  
 National-Ben Franklin Fire Insurance Co. " 1866  
 The Concordia Fire Insurance Co. of Milwaukee " 1870  
 Commercial Casualty Insurance Company " 1909

### WESTERN DEPARTMENT

844 RUSH STREET, CHICAGO, ILLINOIS

### CANADIAN DEPARTMENT

461 BAY STREET, TORONTO, CANADA

### EASTERN DEPARTMENT

10 Park Place  
 Newark, New Jersey

### PACIFIC DEPARTMENT

220 BUSH STREET, SAN FRANCISCO, CAL.

### SOUTH-WESTERN DEPT.

912 COMMERCE STREET, DALLAS, TEXAS

# SERIOUS ?

Often the most serious injury suffered by the victim of an accident is the sudden loss of income and the drain on his savings.

You can guard your clients against such injury with an F. & C. Maximum Benefit Income Accident Policy.



## America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY  
AMERICAN EAGLE FIRE INSURANCE COMPANY  
FIDELITY-PHENIX FIRE INSURANCE COMPANY  
FIRST AMERICAN FIRE INSURANCE COMPANY

*Eighty Maiden Lane,*



## and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY  
MARYLAND INSURANCE COMPANY OF DELAWARE  
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President  
FRANK A. CHRISTENSEN, Vice-President

*New York, N.Y.*

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

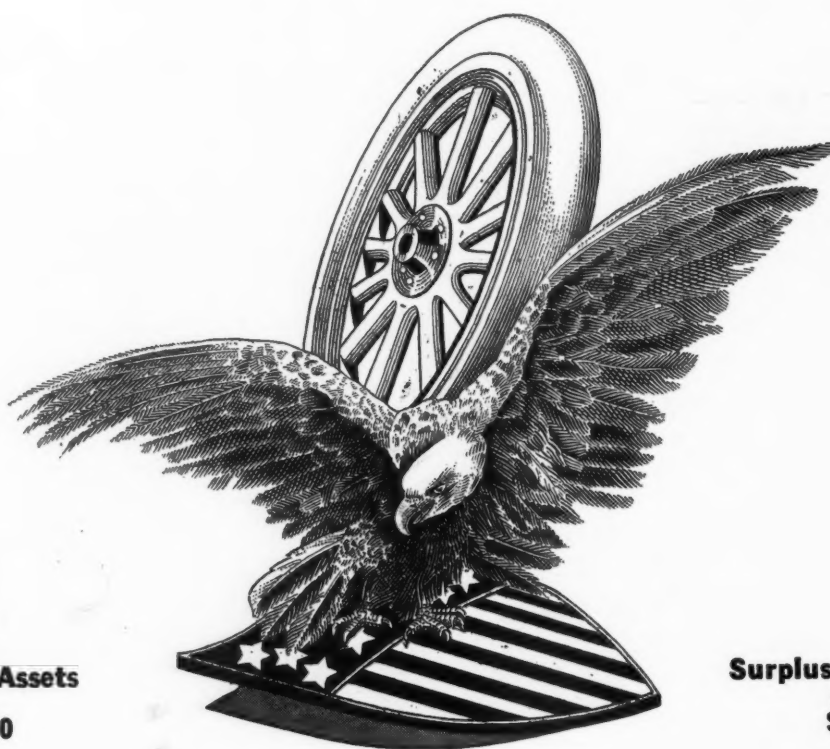
DALLAS

MONTREAL



## AMERICAN AUTO AGENTS—

Can talk convincingly about a superior kind of protective service for the automobile owner because they represent the oldest and largest countrywide organization engaged exclusively in the business of automobile insurance. Yes, specialization does make a difference.



**Total Admitted Assets**  
more than  
**\$18,000,000**

**Surplus to Policyholders**  
more than  
**\$8,000,000**

### **NATIONWIDE BRANCH OFFICE FACILITIES**

**BOSTON**  
**CHICAGO**  
**CINCINNATI**  
**CLEVELAND**  
**COLUMBUS**

**DETROIT**  
**INDIANAPOLIS**  
**KANSAS CITY**  
**LOS ANGELES**

**MILWAUKEE**  
**MINNEAPOLIS**  
**NEW ORLEANS**  
**NEW YORK**

**PHILADELPHIA**  
**PITTSBURGH**  
**ST. LOUIS**  
**SAN FRANCISCO**  
**SEATTLE**

## **AMERICAN AUTOMOBILE INSURANCE COMPANIES**

**L. A. HARRIS, President**

**ST. LOUIS, MISSOURI**

***"Oldest and Largest Insurers of Automobiles Exclusively"***



## Postpone St. Louis Show-Down Parley

Week's Breathing Spell Is Arranged In Crisis Over Marsh & McLennan

### MCCORMACK IS FACTOR

Pearl Reported to Be Lining Up With Association—Company People Throng to City

ST. LOUIS, June 23.—At the last moment the critical meeting of the executive committee of St. Louis Fire Underwriters Association that was scheduled for this morning was postponed until next Wednesday. The committee today was to have expelled from membership agents who have failed to comply with the requirements of the constitution as applied to the Marsh & McLennan-Case, Thomas & Marsh controversy and the non-member representation of Firemen's and Pacific National.

#### McCormack Takes Hand

A. L. McCormack, Crane agency, conferred with company people in Chicago Tuesday. It is understood C. R. Street, Great American, was influential in having the meeting postponed in the hope a peaceful solution can be effected. McCormack, the report is, is now in the east. McCormack had hinted that he would not resign his companies that are also in the M. & M.-C. T. & M. office. F. H. Kreisman is the only agent who has officially informed the association he will not drop representation of the companies affected.

A few other agents had expressed the intention of studying the matter closely before announcing their final decision.

#### Nearly 100% Solidity

The near 100 percent solidity on the part of the members of the association in favor of supporting the "in-and-out" provisions of their rules and regulations apparently means they wish a complete showdown at this time.

The association officially notified the affected agencies of the meeting scheduled for today and the plan for ax wielding on that occasion.

"According to our records you have not as yet complied with Sections 6 or 6a of Article IV, of the constitution of this association, which was called to your attention on May 1, 1937," the letter stated.

"The executive committee will meet at 10 a. m. on Wednesday, June 23, to take action against all members in violation of said sections 6 or 6a.

"Section 6b of the same article prescribes the specific action the executive committee shall take; the committee has no alternative.

"Your action should be taken immediately and your decision must be in

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## Insurance Takes Emphatic Part in Credit Men's Meet

### SEPARATE SESSION IS HELD

Committee Named at Chicago Parley to Revise Statement of Creditor's Insurance Situation

Revision of the statement of a creditor's insurance situation, recommended for use by all credit managers, was the principal subject discussed at the meeting of the insurance group of the National Association of Credit Men in Chicago. D. C. Campbell, credit manager western department, America Fore, and chairman of the insurance group, presided at the meetings, which were in connection with the annual convention of the association.

The open forum meeting was attended by about 40 people, mostly insurance men, nearly all of whom had some suggestion for the improvement of the original form. Most of the suggestions centered around improving its appearance and revising it to include coverages such as the supplemental contract which have appeared since the insurance statement was drafted in 1933.

A committee was appointed to revise the blank and report at the 1938 meeting. For convenience, the membership of the committee was confined to Chicago men, the members being McClung Smith and John Steinbach, W. A. Alexander & Co., R. L. Low, Connecticut General Life, E. J. Hepp, Springfield, Sidney Clark, Royal-Liverpool, G. H. McClure, Lumbermen's Mutual Casualty, and W. C. Sundstrom, Western Factory.

Following the discussion of the insurance statement, an open forum was held on specific insurance coverage.

#### Falls and Hall Speak

Prior to the open forum, a committee session was held at which L. E. Falls, vice-president American of Newark and J. Dillard Hall, assistant agency director, United States Fidelity & Guaranty, were the featured speakers. Mr. Falls addressed himself to credit men, pointing out that 83 percent of them have charge of the insurance of their firms and calling upon them to make their own business insurance complete if they wish to require thorough protection from their creditors.

Mr. Hall pointed out the need of education along insurance lines among credit men. He stated that a recent survey showed that only 15 percent of the credit men take an interest in the insurance protection of their creditors and that this situation is a challenge to insurance companies of all types to spread education among them. They are anxious to learn, he declared, and not only the insurance business, but the credit structure of business will be improved if the companies and agents aid them.

To assist credit men in understanding the business and in making reasonable requirements of creditors and applicants for credit, Mr. Hall showed a booklet outlining all the known forms of insurance, with a brief explanation. The booklet includes a questionnaire and insurance statement, so a credit man can

## Zone Examination Plan Is Working Well, Read Reports

### BUT SUGGESTS SOME CHANGES

Commissioners Convention Hears Review of Experience Under New Procedure for Company Audits

PHILADELPHIA, June 23.—The new zone convention examination system gives promise of solving the company examination problem, according to Jess G. Read of Oklahoma, who reported as chairman of the examination committee at the annual meeting of the National Association of Insurance Commissioners here. Mr. Read recalled that he was one of the five who voted against the zoning plan at the Hot Springs, Ark., convention last December, but he confessed that it has turned out far better than he expected. It is superior to the old "catch-as-catch-can" system, he said.

Mr. Read recommended that calls for examinations be given not less than 30 days in advance of the commencement date; that zone managers be given more latitude in the selection of states, keeping in mind volume of business, geographical location and rotation. Although adjustments will have to be made, he recommended continued recognition of the zone plan.

#### Five Report Satisfaction

Five of the six zone managers, he said, report the plan satisfactory in the majority of their states.

In the five months since the plan was instituted, 24 convention examinations have been called in which 33 states participated.

Following adoption of the resolution at Hot Springs, Mr. Read recalled that a meeting was held in Chicago Jan. 16 to set up the machinery for compliance. The states were divided into six zones and a manager named for each.

At the Chicago convention the procedure was decided upon of having the

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determine not only what insurance a prospective creditor carries, but also the hazards to which he is exposed and the protection he should be required to carry.

Insurance companies and organizations allied with the insurance business took up major part of the exhibits. The National Board had a large space with jumbo enlarged photographs featuring capital stock fire insurance and lines such as use and occupancy, explosion, riot, sprinkler leakage and windstorm.

The U. S. F. & G. featured moving signs showing the embezzlement hazard. National Surety featured the importance to credit men of fidelity, burglary and forgery insurance. The Home of New York exhibit emphasized insurance as the framework of credit, while the Hartford Fire and Hartford Accident, in addition to stressing insurance, offered free dictation service to convention delegates.

A. Wilbur Nelson is in Chicago superintending the National Board exhibit.

## State Officials Hold Annual Meet

Adopt New Valuation Formula, Reject Permanent Secretary Plan, Praise Farley

### PHILADELPHIA THE HOST

Bowles of Virginia Is Advanced to Presidency—Carpenter Wins Over Murphy for Vice-president

#### NEW OFFICERS ELECTED

President—George A. Bowles, Virginia.

Vice-president—S. L. Carpenter, Jr., California.

Secretary—J. G. Read, Oklahoma. Executive committee—L. H. Pink, New York, Chairman; new members: R. E. O'Malley, Missouri; H. H. Earle, Oregon; R. L. Daniel, Texas, and J. J. Holmes, Montana. Holdovers: F. N. Julian, Alabama; J. C. Blackall, Connecticut, C. A. Gough, New Jersey.

#### By C. M. CARTWRIGHT

PHILADELPHIA, June 23.—The National Association of Insurance Commissioners at their annual meeting here decided to hold the winter meeting at the Pennsylvania hotel, New York City, Nov. 29-Dec. 1, the Life Presidents Association meeting the next two days.

Pink of New York presided over the executive committee meeting Monday afternoon. He stated much could be accomplished through greater uniformity. During days of less business and economic stress, the way should be prepared for times of trouble.

The committee voted to urge the commissioners to press uniform liquidation laws providing that all distressed companies be put in the hands of the insurance department. It was recommended that the states strive for a uniform basis of taxation and the taxation committee was instructed to prepare a model bill. It came out in the discussion that New York will hereafter give no credit for reinsurance ceded.

It was further decided to instruct the fraternal insurance committee to prepare a new bill governing fraternal laws, the statutes now being antiquated and inadequate. Chairman Pink reported that some of the leading fraternal officials at a recent conference asserted such a measure would be most helpful.

The executive committee voted to cooperate with the committees of legislatures working on uniform laws. The committee on unauthorized insurance was asked to delve into the subject more exhaustively and make some recommendations.

The insurance committee of the American Bar Association puts the en-

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## Reject Permanent Secretary Scheme

**Commissioners Turn Down Recommendation of Committee on the Subject**

### PALMER PROPOSED PLAN

**Committee Contended Financing Problem Was Not Insoluble and Strongly Favored the Idea**

PHILADELPHIA, June 23.—The proposal for a permanent secretary was defeated by unanimous vote, on motion of Gough of New Jersey.

PHILADELPHIA, June 23.—The special committee of the National Association of Insurance Commissioners, consisting of Pink, New York, chairman; Murphy, Iowa, and Hunt, Pennsylvania, that was appointed to consider the practicability of employing a full time executive secretary, reported as follows:

"While there is undoubtedly considerable merit in some of the objections to the plan, your committee feels that the benefits of greater centralization and effectiveness far outweigh the objections which are more or less theoretical. In other words, if the executive secretaryship is properly constituted and supervised and the secretary is made the agent of the association rather than its master, the good results which have been indicated will come about and there is little danger of abuse."

#### Problem of Financing

"The greatest difficulty is apparently in financing. While many of the states report that they are unable to pay any additional assessment for this purpose, if the association decided to establish this office, these states would undoubtedly make every effort to secure an appropriation and many would undoubtedly be able to get one. We have the same situation with regard to the publication of the book on valuations of securities and the inventory of stocks and bonds. All of the states are assessed and most of them pay, but each year there are some states which for some reason or other cannot meet the obligation. Last year 11 states failed to contribute. This would probably be the same on the secretaryship. We could probably count on regular contributions from 35 or 40 states.

"If it is decided to make efforts to secure the funds for the establishment of this position, some of the problems which should be considered are:

"Should the office be permanently established at some large insurance center, such as Chicago or New York, or shall the office of the executive secretary be attached directly to the presidency and move to that state from which the president is chosen?

#### Free Office Space

"Should the offer of President Palmer of free office space be accepted and should other presidents be expected to supply similar space in the future?

"Should the present secretary be continued or would the executive secretary be sufficient?

"Should the executive secretary work directly under the president and be immediately subject to his control or should he work under the immediate direction of both the executive committee and the president?

"Your committee feels that at this convention we should decide upon the

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## Commissioners Party Just Misses a Strike

PHILADELPHIA, June 23.—Those attending the annual meeting of the National Association of Insurance Commissioners barely escaped a strike in the Bellevue Stratford. When the convention got under way Monday C. I. O. organizers confronted the management with demands to be met or a strike would be called.

Mayor Wilson, who was to have been an official greeter at the opening of the convention was called in. The upshot was that the hotel management acceded and thus averted an embarrassing experience for the insurance guests. Mayor Wilson had his welcome address prepared but was not able to give it.

## I. M. U. A. Meets to Weigh the Term Rule Proposal

NEW YORK, June 23.—Lively discussion is anticipated when the Inland Marine Underwriters Association at its meeting tomorrow passes upon the proposed adoption of a term rule.

### Require Solicitor's License

Members of the Cincinnati Fire Underwriters Association have been advised that solicitor licenses expire June 30 and no agency will be permitted to write or accept business for the account of a solicitor who has not renewed his license after that date.

Read the "Accident & Health Review." Sample copy 10c. A1946 Insurance Exchange, Chicago.

## Attitude of Pennsylvania Agents Towards Federation

### STOCK PEOPLE KEEP DISTANCE

**Failure to Attend Recent Annual Meeting Not Due to Any Feeling Against Commissioner Hunt**

R. H. Alexander of the Hoover & Diggs agency of Pittsburgh, who is chairman of the legislative committee of the Pennsylvania Association of Insurance Agents, takes exception to the statement in a recent article that the Pittsburgh fire and casualty agents refrained from attending the Pennsylvania Insurance Days celebration in Pittsburgh because "of pique at the attitude of Commissioner Hunt of that state."

As a matter of fact, according to Mr. Alexander, the organized agents of Pennsylvania ceased cooperating with the Insurance Federation several years ago on the ground that the federation seeks to represent too many factors in the insurance business. "Were the federation to limit its activities to its original purpose—viz., 'to keep the government out of business'—then the agents would return to the fold," Mr. Alexander stated.

#### Attitude of Hunt

Commissioner Hunt's attitude was not involved at all, he said. The objection of the agents to the commissioner's legislation, he said, was due not to the intent thereof but to the fact that it was too extreme in substance. "Commissioner Hunt deserves credit rather

(CONTINUED ON PAGE 8)

## Name Committees Of Rural Agents

**Heads Selected for Regional and State Areas to Assist Local Men**

### CONFERENCES PLANNED

**R. W. Forshay, Anita, Ia., Directs National Association of Insurance Agents Farm Setup**

R. W. Forshay, Anita, Ia., chairman rural agents committee National Association of Insurance Agents, has appointed the following regional chairmen:

Eastern Underwriters territory, F. J. Marshall, East Aurora, N. Y.; Western Underwriters territory, A. H. Case, Marion, Kan.; Southeastern Underwriters territory (including southeastern states from Virginia through Texas, several not under S. E. U. A. jurisdiction), H. C. Arnall, Newnan, Ga.; Pacific board territory, H. J. Thielen, Sacramento, Calif.

#### State Appointments

The following state appointments have been made: Arizona, Harry Lane, Phoenix; California, H. J. Thielen, Sacramento; Idaho, James Graham, Grangeville; Illinois, M. I. Hall, Belvidere; Indiana, C. W. Owens, Farmland; Iowa, R. E. McCauley, Atlantic; Kansas, Rosse Case, Marion; Louisiana, Earl Hargroder, Church Point; Maryland, E. C. Murray, Annapolis; Michigan, P. D. Worgess, Lapeer; Missouri, L. W. Van Dyke, Marshall; Nebraska, Arthur Baldwin, Fremont; New Jersey, R. H. Aaronson, Bordentown; New York, F. J. Marshall, East Aurora; North Carolina, F. S. Wilkinson, Rocky Mount; North Dakota, James Nichols, Oakes; Ohio, P. W. Triplet, Bellevue; Tennessee, H. A. Bransford, Union City; Utah, W. H. Stewart, Logan; West Virginia, W. F. Alexander, Charles Town.

#### Lists the Objectives

The committee, formerly known as the farm committee, was originated at the annual convention of the National association at Pittsburgh last fall, and the first group conference of rural agents was held at the mid-year meeting at Omaha in April. Since, plans have developed for a nation-wide campaign to assist agents in rural communities in handling their problems. In this the committee is being assisted by the Business Development people and the Farm Underwriters Association.

Mr. Forshay urged state chairmen to inaugurate regional meetings, pointing out success of those held in Kansas, Minnesota, Arkansas and North Carolina. He also stressed importance of holding rural agents' group conferences in connection with state association meetings, such as he will hold at future annual and mid-year meetings of the National association.

#### Plan Parley in Dallas

Plans are being made to hold another conference of rural and farm writing agents during the annual convention of the National association in Dallas in October.

Membership of the national committee includes F. T. Priest, Wichita, Kan., and A. B. Dunbar, Omaha, Neb., a member of the National association executive committee. Recently Mr. Priest was forced through illness and business pressure to resign as chairman, and Mr. Forshay succeeded him.

## THE WEEK IN INSURANCE

Annual meeting of the National Association of Insurance Commissioners was held this week at Philadelphia. **Page 3**

In tense session, executive committee of St. Louis Fire Underwriters Association meets to swing the ax in the Marsh & McLennan controversy. **Page 3**

Insurance takes a prominent part in the annual meeting of the National Association of Credit Men in Chicago. **Page 3**

Kenneth H. Blair, in strong statement before Georgia agents association, denounces the representation of participating or cut rate companies by stock company agents. **Page 5**

Main changes that are comprehended in the new Illinois insurance code are reviewed. **Page 5**

R. W. Forshay, head of the National Association of Insurance Agents rural committee, announces appointments and plans. **Page 4**

Convention sessions to be expedited at Dallas meeting of National Association of Insurance Agents. **Page 17**

U. S. appellate court gives verdict for Schenley Distillers Corporation in important issue concerning construction of Interstate Underwriters Board reporting form. **Page 6**

Kentucky agents react to President Peel at annual meeting. **Page 5**

Annual meeting of the Georgia Association of Insurance Agents is held in Atlanta. **Page 6**

Franklin W. Fort, vice-president of the Eagle Fire of New Jersey, is dead. **Page 21**

Michigan fire field organizations hold meetings, elect officers. **Page 12**

Commissioner Sullivan of New Hampshire, in addressing meeting of his fellow officers in Philadelphia, advocates some form of compulsory automobile insurance, nation-wide. **Page 23**

Lengthy volume giving the setup of National Council on Compensation Insurance is distributed at annual meeting of Insurance Commissioners Convention. **Page 23**

Report is given on the new convention examination procedure of the insurance commissioners by Jess Read at the annual meeting of that body in Philadelphia. **Page 3**

Slight changes are contained in resolution setting the basis for valuation of securities in 1937 annual statements, as adopted by National Association of Insurance Commissioners. **Page 12**

Commissioners convention rejects proposal that a permanent secretary be employed. **Page 4**

Illinois Supreme Court reverses self in decision in case involving defunct Inter-Insurance Exchange of Illinois Automobile Club. **Page 25**

Situation compelling action on workable method of compensating for automobile accident injuries surveyed by Commissioner Blackall of Connecticut at Commissioners' convention. **Page 23**

Compensation costs are higher when staff doctors rather than non-staff are employed, report of National Council to National Association of Insurance Commissioners reveals. **Page 24**

Commissioner Mortensen of Wisconsin presents lengthy treatise on workmen's compensation retrospective rating plan at meeting of National Association of Insurance Commissioners. **Page 23**

J. Dillard Hall, assistant director of the United States Fidelity & Guaranty, speaks on selling fidelity bonds before the Kentucky agents. **Page 24**

A. P. Francis of Atlanta, assistant manager of the Hartford Steam Boiler, talks before the Georgia agents on selling electrical machinery insurance. **Page 35**

Employers Mutuals of Wausau, Wis., are merged under name of Employers Mutual Liability. **Page 31**

Program is announced for the annual meeting of the Michigan upper peninsula local agents. **Page 37**

New amendment of Society of Insurance Brokers in San Francisco causes dispute with Pacific Board companies. **Page 38**

New automobile fire, theft, comprehensive and collision rates become effective country-wide next Monday. **Page 44**

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## Kentucky Agents Reelect D. R. Peel

Dual Representation Held Un-  
sound in Resolutions—Ask  
Casualty B. D. O.

### DISCUSS UNSOLD LINES

Record Attendance Marks Annual Gath-  
ering at Louisville—Many Outstand-  
ing Leaders on Program

LOUISVILLE, June 23.—In recogni-  
tion of his splendid efforts on behalf of  
the Kentucky Association of Insurance  
Agents during the year, Dwight R. Peel  
of Benton, Ky., was reelected president  
at the annual meeting here. The reso-  
lutions endorsed the work of the state  
safety commission; commended Judge  
Brachey of Louisville, for originating  
and enforcing a plan for suppression of  
drunken driving; held that the practice  
of one agency representing stock and  
non-stock companies is fundamentally  
unsound; suggested that the casualty  
and surety stock companies adopt a plan  
of business development similar to that  
of the fire companies and outlined plans  
for securing faster service from the Ken-  
tucky Actuarial Bureau on rating and  
servicing risks.

#### OFFICERS ELECTED

President—Dwight R. Peel, Benton.  
First Vice-president — Addison T.  
Whitt, Winchester.  
Second Vice-president — James T.  
Hackworth, Shelbyville.  
Secretary-treasurer — Peyton B.  
Bethel, Louisville (reelected).  
National councillor — G. R. Reed,  
Columbia.  
Executive committee—M. W. Boe-  
dker, Louisville; Frank A. Buchanan,  
Newport, J. D. McPherson, Madison-  
ville; Harry B. Wilson, Irvine.

The meeting was marked by the larg-  
est attendance on record with 255 regis-  
trations, although the body has but 278  
members, including about 80 added dur-  
ing the year.

A round table discussion was held on  
(CONTINUED ON PAGE 45)

## Main Changes in Illinois Code Bill Are Examined

The original intention of having Gov-  
ernor Horner sign the Illinois insurance  
code bill in a ceremony at the Spring-  
field hospital where Insurance Director  
Palmer was confined, was not carried  
out. Mr. Palmer was able to leave the  
hospital earlier than was thought possi-  
ble and the code was not ready for  
delivery to the governor. It has now  
been delivered to him but he will prob-  
ably not sign it for another week.

Although the Illinois insurance code  
bill was under discussion for many  
weeks and its various provisions de-  
bated, now that it has passed a good  
many in the business who have not been  
following the deliberations closely are  
uncertain as to what the law contains.  
In order to present in tabloid form some  
of the more important changes that the  
code introduces, the measure was re-  
viewed with Henry S. Moser, who was  
chairman of the committee of the Illi-  
nois Bar Association that redrafted the  
code.

In the section dealing with the various  
classes of insurance, "all householders  
personal property floater risks" are  
added to the casualty classification. That  
means casualty companies at least may  
now write the contract known as the  
personal property floater.

#### Multiple Writing Feature

There has been much discussion of  
the fact that under the code mutual fire  
companies may now write casualty risks  
and mutual casualty companies may  
write fire risks. Mr. Moser states that  
mutuals have had this privilege in Illi-  
nois since 1923. Those drafting the code  
extended the same privilege to stock  
companies, but the stock people re-  
quested that such authority not be given  
and their wishes were respected. The  
law remains unchanged as far as writ-  
ing powers of mutuals are concerned.

In the reciprocal article, reciprocals  
or inter-insurance exchanges are sub-  
jected to the same reserve requirements  
as stock and mutual companies. This  
is a new provision.

The code as originally introduced pro-  
vided that all policies with contingent  
liability provisions were to provide for  
not less than one nor more than 10 as-  
sessments. This provision was amended  
in the house. The code as passed pro-  
vides that if a reciprocal has surplus  
equivalent to the minimum capital and

surplus required of a stock company do-  
ing a comparable business, it may issue  
non-assessable policies or issue contracts  
providing for unlimited assessments.

The article on unauthorized companies  
contains a provision that is found in the  
statutes of no other state, according to  
Mr. Moser. It provides that the iss-  
uance or delivery of a policy in Illinois  
by an unlicensed company doing busi-  
ness in the state automatically appoints  
the insurance director as attorney for  
service of process in any action against  
the company arising out of such policy.  
The policyholder can, thereby, sue such  
company in the Illinois courts.

A number of changes were made in  
the investment section. In the 1933 in-  
vestment law, permission was given to  
invest in municipal bonds if the munic-  
ipality had not defaulted for more than  
90 days in the payment of general obli-  
gation bonds for a period of two years  
prior to the making of such investments  
and if the bonds were payable from un-  
limited taxes and if the total indebted-  
ness of the municipality, including over-  
lapping obligations, did not exceed 5  
percent of the value of all taxable prop-  
erty. In municipalities of 250,000 and  
more the total indebtedness could  
amount to as much as 10 percent.

#### "Overlapping" Is Removed

According to Mr. Moser, it was found  
impossible, as a practical matter, to  
calculate the overlapping indebtedness.  
Accordingly in the code the "overlapping"  
provision is removed and in all munic-  
ipalities regardless of size, the total in-  
debtedness may amount to as much as  
10 percent of the taxable property. Re-  
moval of the "overlapping" feature was  
desired by all insurers that invest in  
municipal bonds. The fraternalists were  
the ones that were interested in having  
the percentage of total indebtedness in-  
creased to 10 percent for the smaller  
municipalities.

The code also permits investments in  
municipals if the municipality is not in  
default at the time that the investment  
is made, notwithstanding that a default  
may have existed during the two years  
preceding the investment.

Heretofore the only municipally  
owned utility in which an insurer could  
invest were bonds or other obligations  
of a municipally owned water works  
plant. Under the code investments may  
(CONTINUED ON PAGE 46)

## K.H. Bair Demands 'Clean Separation'

Agent Should Represent Either  
One Class of Carrier or  
Other

### UNEQUIVOCAL STATEMENT

Former National Association President  
Tells Georgia Agents Line Must  
Be Drawn Nationwide

The address of Kenneth H. Bair of  
Greensburg, Pa., before the annual  
meeting of the Georgia Association of  
Insurance Agents was an unequivocal  
declaration that agents representing  
tariff, stock companies should not also  
represent participating or cut rate com-  
panies. Mr. Bair is the immediate past  
president of the National Association of  
Insurance Agents and his forthright  
statement of position will be influential.

Any agent, he observed, has a right  
to decide whether he shall represent  
stock or participating companies,  
whether he shall represent organization  
or cut rate companies. Whichever type  
he prefers, that type he should represent  
exclusively, according to the speaker.

#### Water on Both Shoulders

A stock company agent that has a par-  
ticipating company in his office, what-  
ever the motive, is attempting to carry  
water on both shoulders, according to  
Mr. Bair. He simply cannot sincerely  
believe in both forms of coverage. If  
the participating form is cheaper and in  
his judgment just as sound as the stock  
company form, then he is being unfair  
to his client to whom he sells stock  
company insurance at a higher cost than  
the participating form. If he does not  
believe that the participating coverage is  
as sound as the stock coverage, then he  
is being unfair to the client to whom he  
sells the participating coverage inasmuch  
as he is selling an inferior product  
merely for the commission profit which  
there is in it for him. "Such an attitude  
on the part of agents country-wide,  
would destroy the American agency sys-  
tem," he said. An agent who carries  
water on both shoulders, he asserted, is  
(CONTINUED ON PAGE 46)

## LEADERS AT THE COMMISSIONERS' CONVENTION



GEORGE A. BOWLES, Virginia  
New President



L. H. PINK, New York  
Chairman Executive Committee



JESS G. READ, Oklahoma  
Secretary



OWEN B. HUNT, Pennsylvania  
Host Commissioner



## U. S. Appeals Court Upholds Assured in I. U. B. Issue

The United States circuit court of appeals has upheld the Schenley Distillers Corporation in its claim against the United States Fire for loss based upon the James E. Pepper Company whisky warehouse loss at Lexington, Ky., April 28, 1934. The verdict, awarded last October by the United States district court for the southern district of New York, amounts to \$142,523, with interest.

The case has been followed with interest by insurance men because it is one of the few suits involving an Interstate Underwriters Board form, the only other recent one being the action arising out of the Hiram Walker loss at Peoria. The latter case did not get into an appellate court. Both were in federal courts. In the Schenley case, the point at issue was the effect of failure to specify the time allowed for filing monthly reports of values. The appellate court, in an opinion delivered by Judge Learned Hand, who is probably the most renowned federal judge not on the Supreme Court, ruled that if no time limit were established, the court would not establish one, in the absence of some warning or protest from the insurance company over slowness of the assured in filing reports.

### Values Had Increased

The Schenley schedule ran to \$19,000,000, covering throughout the United States except Texas, under an I. U. B. monthly reporting form. United States Fire had a 5 percent participation. The I. U. B. forms generally called for reports not later than 30 days after the last day of each month, but in a number of whisky risks this time had been extended to 60 days. Some of the policies participating on the Schenley line called for reports within 60 days, while on other forms, including that of United States Fire, the number of days was left blank.

The stock in the warehouse had grown from \$500,000 in October, 1933, to \$700,000 in January and February and to \$2,600,000 in April, the month the loss occurred. The Schenley company was slow in reporting, not filing its January report until May 1, after the fire. The other companies decided not to contest the loss. United States Fire contended, first, that it was not liable at all because the assured had concealed the fact that the warehouse contained a large quantity of liquor belonging to other parties. Secondly, it contended that if it were liable at all, it should be liable for not more than 5 percent of the values shown on the December report, the last report to be received before the fire. Both contentions were overruled by the district court last October and a verdict directed in favor of the Schenley company.

### No Fraud Shown

Judge Hand, in disposing of the first contention, stated that there was no allegation of any fraud on the part of the assured, that the assured had never intended to have the whisky of others covered under the policy and had made no claim for this property at the time of loss. As to the objection that the Schenley company had not filed reports promptly, the judge declared that in the absence of a time limit in the policy, the company could easily have requested a report from the assured, or warned the assured that more prompt reports were expected, that ordinarily both parties would understand that unless a warning was given the time to file ran on. Further, the value of the stock in February was substantially the same as in January. The largest increase took place in March and, even if the policy had contained a 30 day provision, the company would not have known of the increase on April 28, when the fire occurred.

The Schenley case and the Hiram Walker case do not overlap but, since

they both involve I. U. B. forms, in all probability they will be the subject of joint study. The most publicized point in the Walker case was the application of the fallen building clause. Since this clause is a part of the standard fire insurance policy, consideration of this angle was no different because an I. U. B. form was involved. However, a less prominent part of the case involved the contention by Hiram Walker that the limit of liability should not apply, because values in excess of the limit of liability were included in computing the premium for average values at risk during the policy period. The policies contained a limit of liability of \$1,500,000 and values at the time of the Walker loss were \$2,574,162.

District Judge Barnes of Chicago upheld the companies, stating that there was no ambiguity in the contract and that in the absence of proof of a custom on the part of companies to pay for losses in excess of the limit of liability the contract would be enforced on its face value.

### Appeal Not Taken

Since the Hiram Walker case was not appealed and no higher court has passed on Judge Barnes' opinion, many fire insurance men are cautious about relying upon this holding. A number of companies have adopted or are considering adopting the practice of considering values only up to the limit of liability in determining average monthly values. They reason that if they ignore values in excess of the limit of liability for premium computation, their chances of enforcing the limit of liability in a loss will be greatly enhanced.

The fire companies have thus come out of their first two legal encounters over I. U. B. forms with one victory and one defeat. The limit of liability has been upheld, but a definite limit of time in which reports are to be filed must be stipulated, or at least the companies must give the assured some warning that reports will be required, or they will not be able to enforce the monthly reporting provision.

Following the Schenley case, the I. U. B. reporting clause was changed last December to provide in its printed conditions reports not later than 30 days after the last day of each month.

### Valuable Legal Book

The Rough Notes Company, 222 East Ohio street, Indianapolis, has issued a "Five Year Digest-Index of Insurance Decisions," running from July 1, 1931, to July 1, 1936, containing digests of all federal and state appellate court cases pertaining to insurance in all its branches reported the past five years in "Insurance Decisions." It is indexed by classes of insurance according to insurance and policy terms.

### Hewitt Addresses Board

BOSTON, June 23.—C. C. Hewitt, president Service Men's Protective Association, addressed the Springfield (Mass.) Board of Fire & Casualty Underwriters on aims of the association. The Worcester offices have been canvassed and several firms are reported to have joined the association.

### Insurance Day Postponed

Insurance Day at the Great Lakes Exposition, Cleveland, originally scheduled for June 11, has been postponed until a later date in the season, the exact time not being set. Meantime the insurance exhibit at the exposition continues to attract attention. Superintendent Bowen of Ohio has spent much time on the display.

### Some Personalities at Commissioners' Meeting

Georges LaFrance, the new superintendent of Quebec, followed the custom established by his predecessor, the late B. A. Dugal, of attending the meetings of the National Association of Insurance Commissioners. His confrere, H. D. McNairn of Ontario, reported as usual, at the Philadelphia meeting this week.

H. H. Earle of Oregon is a former professional baseball player in the Three I's League. He was catcher for six years on the Des Moines and Dubuque teams.

E. Simon Banks, publicity director for the Philadelphia committee, did a fine piece of work. He had charge of the fire fighting historical display at Independence Hall. He devised all the incidents. He got stories in the daily papers before and during the convention. Mr. Banks established a press room with a photographer, shorthand people, telegraph messengers, etc. He was untiring in his efforts.

The Hercules-Allstate insurance companies of Sears-Roebuck & Co., Chicago, were represented by President Carl L. Odell, Vice-president Walter Webb, Treasurer Calvin Fentress, Jr., and Henry S. Moser of the Chicago law firm that represents the organization.

In the absence of Director Palmer of Illinois, Deputy R. T. Nelson and Attorney F. R. Young represented the Illinois department.

Among the new commissioners present were: Harrison of Arkansas, Wright of Georgia, Newbauer of Indiana, Goodpaster of Kentucky, Lovejoy of Maine, Gauss of Michigan; Erickson of North Dakota, McCormack of Tennessee, Hall of Texas, Neslen of Utah.

On Monday evening, there was an informal get-together on the Bellevue Stratford roof with Commissioner Hunt of Pennsylvania as host.

The commissioners, members of their staffs and some camp followers are trekking to Atlantic City, leaving Thursday noon. There is a shore dinner that evening and the return will be Friday noon.

Superintendent H. A. Porter of New Brunswick, Canada, made his bow to the convention.

A. F. Powrie of Chicago, western manager Fire Association and president Western Underwriters Association, was a convention attendant.

Col. Walker Taylor of Wilmington, N. C., prominent local agent who was laid up for six months with a heart attack, is back on his feet and was at the convention, accompanied by his son.

J. H. Talley, head of the fire division of the Florida department, and his daughter, accompanied Commissioner Knott. He was a field man for the North America in Florida for six years and then was a Miami local agent.

Each conventioneer registered at the hotel received a morning paper with the compliments of the Fidelity & Deposit and American Bonding.

Commissioner Ray Murphy of Iowa broadcast his radio address over KYW Monday evening at 6 o'clock.

H. W. Teamer, manager Pennsylvania Insurance Federation, was executive secretary of the Philadelphia general committee.

Commissioner O'Malley of Missouri objected to the entertainment program interfering with the business of the convention. Supported by Earle of Oregon he sought to have the scenic tour and reception at Congress Hall postponed Tuesday but later withdrew his motion as it was felt by the local committee it was too late to make a change.

The resolutions committee consisted of Harrison of Arkansas, Holmes of Montana and Newbauer of Indiana.

### Georgia Local Agents Hold Annual Meeting at Atlanta

#### A. A. COOPER ELECTED HEAD

Casualty Companies Criticized; Public's Attitude Toward Commissions, Farm Business Are Among Chief Subjects

#### NEW OFFICERS ELECTED

President—A. A. Cooper, Rome.  
Vice-president and chairman executive committee—P. M. Lancaster, Sylvester.  
Second vice-president—J. W. Carswell, Savannah.  
Secretary-treasurer—Irwin Wootton, Jonesboro.

ATLANTA, June 23.—At the 40th annual convention of the Georgia Association of Insurance Agents here last week relations between casualty companies and agents, and the public's attitude toward commissions were among the chief problems discussed. In addition to some criticism of the companies' activities, the workmen's compensation situation was reviewed. Among the speakers were: K. H. Bair, Greensburg, Pa., past president National Association of Insurance Agents, "One Shoulder or Two"; C. F. Spaulding, Hartford, agency supervisor Aetna Casualty, "Insurance Salesmanship"; Clarke Smith, New York, assistant superintendent Royal-Liverpool group led an open forum on use and occupancy; A. A. Orreder, farm manager Hartford Fire, and L. E. Falls, vice-president American of Newark, "Gone Are the Days."

#### Must Justify Commission

Mr. Falls told the Georgia agents that most of the studios insurance buyers these days are subjecting the agent's commission cost to scrutiny. They are willing for the agent to be paid "adequate commissions for the proper placing and servicing of insurance." An agent, according to Mr. Falls, is worthy of his hire to the extent of his labor and it is by labor and service alone that the American agency system can be justified.

As a result of the depression experience, people have great confidence in insurance, he said. The public spends for insurance one-third as much as it spends for food, one-half as much as for clothing and more than for government in any normal year.

Insurance, Mr. Falls opined, is "an opportunity for the foresighted and the provident to provide, out of current earnings, a guarantee that their accumulations of wealth will be paid for if they be destroyed or damaged by the perils to which such wealth is constantly subjected."

#### Problems of Farm Agents

Mr. Orreder's talk dealt with problems of rural agents. Because of special problems and risks, the agent must exercise more discriminating judgment in committing his companies than his city colleague does. The farm agent lacks the safeguards of specific ratings, maps, etc. Fire protection is not as thorough as in the city. Because of these factors farm agents who are successful are really underwriters as well as premium producers. Above all they know the personal equation is most important.

The farm agent has as many innovations to consider as the city agent. Companies are regularly introducing new kinds of coverage and the agent must be alert to acquaint his client with these. There are a number of special factors to be considered in the farm field; among them are these:

A building not necessary to operation of the farm is a bad risk and the same principle applies in considering insurance on a building too large or elaborate for the owner's needs. When this is insured, it should be covered for only

(CONTINUED ON PAGE 29)

# NORWICH UNION

**MAINTAINING**  
the traditions of more  
than a century of faithful  
and reliable service to agents  
and policyholders in every  
part of the world

**NORWICH UNION**  
**FIRE INSURANCE SOCIETY, LTD.**

*Hart Darlington, Manager*

**Eagle Fire Company**  
**of NEW YORK**

*Incorporated 1886*

*Hart Darlington, President*

*The Oldest New York Insurance Company*

**NORWICH UNION**  
**INDEMNITY COMPANY**

*Hart Darlington, President*

**75 Maiden Lane, New York**

*In NORWICH UNION there is strength*

# COMPANIES



### Changes Are Announced in "Field" Organization

The "Insurance Field" announces the following changes in its official staff:

Elmer Miller, Jr., associate editor in Louisville, has been appointed business manager but will also retain his connection with the editorial staff. Prior to joining the "Field" at Louisville 2½ years ago Mr. Miller was in the advertising and publicity department of the Aetna Fire.

E. C. Smith, Jr., has been advanced

from assistant secretary to secretary to fill the vacancy caused by the resignation of James S. Craik. Mr. Smith, who formerly was with the Western & Southern group, is manager of the advertisers service bureau and in addition will travel the midwest as advertising representative.

Dan Jansen, who has been at the home office of the "Field" for several years, has been appointed advertising manager.

The "Field" announces the resignations of Robert Cron as associate editor in Chicago and of Ralph Reed Wolfe, who was assistant to Associate Editor E. M. Ackerman in New York City.

### Tells Agents' Attitude on Pennsylvania Federation

(CONTINUED FROM PAGE 4)

than censure. It was unfortunate that the remedy as suggested by this legislation was too strong for the patients to take in one draught."

Another spokesman asserted:

"I am not saying we were in entire accord with the commissioner regarding legislation. But the reason many of the agents in Pittsburgh and from elsewhere in the state did not attend the Pennsylvania Insurance Days was because they

are not members of the Insurance Federation and are not interested in its activities.

"Perhaps we have a peculiar situation in Pennsylvania with respect to the relations of the agents' association and the federation. In some states these two groups get along all right and more or less intermingle. In our state the two organizations are not entirely compatible.

#### Covers Lots of Ground

"The federation opens its doors to every type of insurance interest which covers a lot of ground. In fact it covers some ground that is quite antagonistic to the stock company local agents.

"In the past, the federation has been the competitor of the agents' association, and none too friendly a competitor at that. This condition is most evident during the sessions of the legislature where several interests are represented by the federation and sometimes in matters to which local agents are opposed.

"As an association we endeavor to co-operate wholeheartedly with the federation, with the companies direct or with any other insurance interest in matters that affect us all such, for example, as the case of the state entering the insurance business. After that we are on our own and we have our competition which is not always harmonious."

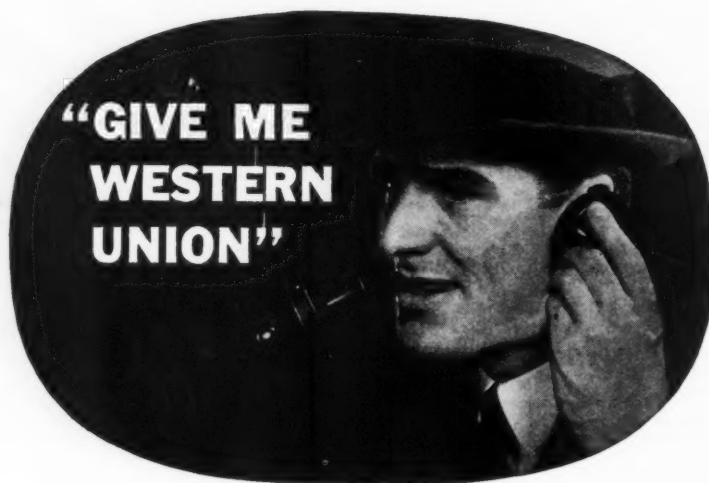
### Statutory Rider Applies Wherever Policy Effective

That a policy clause drawn to comply with the law of one state may be construed to apply wherever the policy is effective is held by the New Hampshire supreme court in *Barnard vs. Old Colony*. The plaintiff took out a policy of "motor truck cargo" insurance which gave coverage "within the limits of the United States and Canada." Later the policy was amended by an endorsement under the New Hampshire law agreeing "to pay final judgment for loss or damage to cargo while in the possession of and under the control of the insured." The endorsement was headed, "New Hampshire motor vehicle endorsement for common carriers of property for hire on the public highway." Still later, in Massachusetts a cargo of goods was stolen from the plaintiff, and the defendant refused to adjust or satisfy the loss. The insurance company relied on a clause in the endorsement which read: "The policy to which this endorsement is attached is written in pursuance of and is to be construed in accordance with section 2 of chapter 106 of the laws of New Hampshire, 1933." The court held that the language indicates an intention to conform to the New Hampshire law, but does not indicate any intention to limit the coverage.

#### Cover Church Windows

Some agents have been successful in getting trustees of churches to insure their stained glass windows against fire, theft and windstorm as well as regular plate glass insurance. Some of these windows are very expensive. There is a difference between such windows and the regular plate glass. Church windows, of course, have not the supervision that store fronts enjoy. The danger is greater with church windows on account of the method of fabricating them. Often it is found that fire and corrosion of the lead ribbons separating the sections result in breakage of small glass fragments. Sometimes donors of stained glass windows will provide a fund, the earnings of which will pay for the insurance. Windstorms frequently cause damage. A special endorsement can be issued on a stained glass window to cover about all the hazards.

**Accident Business Is Good** — for sales pointers read *The Accident & Health Review*. Sample copy 10 cents. Address A-1946 Insurance Exchange, Chicago.



## A Hartford\* PLUS that costs nothing

When you put an assured in the Hartford Fire Insurance Company and the Hartford Accident and Indemnity Company, you can promise an extra feature without any extra cost.

To locate a Hartford representative, all he has to do is telephone Western Union and ask for the name and address

of the nearest one. This is mighty valuable to the assured when he is away from home and needs quick service in emergency. The Hartford way, he gets it.

So the Hartford meets the test of convenience—just as it has already met the tests of five wars, seven panics and all conflagrations of the past 127 years.



\*HARTFORD FIRE INSURANCE COMPANY

\*HARTFORD ACCIDENT AND INDEMNITY CO.

HARTFORD, CONN.





## The Public's Demand for

broader protection has accentuated the sale of inland marine coverages markedly during the last four years. While the total fire premiums gained 18 percent from 1933 to 1936, inland marine premiums for all stock companies increased 35 percent. Agents of the Providence Washington and the Anchor were alert to take advantage of the facilities offered by their aggressive inland marine departments—as a result the Anchor's inland marine premiums increased 120 percent during the last four years, while the Providence Washington showed a \$360,000 increase or

over a 100 percent gain. There is a great demand now for personal jewelry, fur, fine arts and other personal property floaters, as well as furriers' customer, parcel post, and many other commercial forms.

In selling inland marine you not only increase your premium income, but the assured appreciates the broad coverage service provided by inland marine forms. If you are interested in securing the aid of a progressive inland marine company, write for agency information today.

FIRE—TORNADO—OCEAN and INLAND MARINE and their allied lines—AUTOMOBILE—FIRE, THEFT, and COLLISION

**PROVIDENCE WASHINGTON**  
INSURANCE COMPANY OF PROVIDENCE, RHODE ISLAND  
INCORPORATED 1799 ★ CAPITAL \$3,000,000.00

**ANCHOR INSURANCE COMPANY**  
Incorporated 1928 ★ PROVIDENCE, RHODE ISLAND ★ Capital \$1,000,000.00

## Cincinnati In-and-Out Rule Is to Be Strictly Enforced

### GIVE NO EXTENSION OF TIME

Several Companies Plan to Operate  
Non-Board—Important Agen-  
cies Affected

CINCINNATI, June 23.—The governing committee of the Cincinnati Fire Underwriters Association has bulletined members that "in order to dispel unfounded rumors that may have reached you, the in-and-out fleet rule will continue to be enforced 100 percent. There is no extension of time and all offices and companies are being treated and will continue to be treated alike. Those agents affected June 1 have complied fully with the rule and the same compliance will be exacted of all members affected on July 1, 1937." Excellent support and cooperation of companies involved was noted.

#### Companies Going Non-board

It appears companies that will operate non-board are: Firemen's of Newark, Girard F. & M., Mechanics, National-Ben Franklin, Concordia, Superior, and Milwaukee Mechanics of the Firemen's group; Merchants, Ind.; Merchants, Colo.; Merchants, N. Y.; Millers National; Northwestern National; London Assurance, Manhattan F. & M., and Union of Paris; General Schuyler; Virginia F. & M.; Standard of New York and Tokio M. & F., Norwich Union and Eagle Fire, N. Y.; Gulf; St. Louis F. & M.; Reliable; Globe & Rutgers; and Equity Fire.

#### Other Offices Affected

The Phoenix of Hartford is out with the Equitable F. & M. in the following agencies: Constable, C. J. Dauner & Son, Dieterly, Green, Grosbeck-Dickson-Kahn, J. P. Heister & Son, Donald G. High & Co., F. G. Huntington, Insurance Service Agency, Rutledge & Moser, Schneller Agencies, G. A. Weiss Service, Winans & Price, and out with the Minneapolis F. & M. in the Kenwood agency. The Phoenix is represented in the board with Cloud & Cox and W. P. Dolle, The Connecticut is also out in the Schneller agency.

There is a special agreement excluding all companies represented in the Spragens agency which represents the Central States, Connecticut, Minneapolis F. & M., and Phoenix, among others. George Grimm, Ahlbrandt & Wahle, and Mary M. Skillman, all representing the

Phoenix, have been suspended by the board. The action of the Phoenix is not known at this time. Apparently the decision in several cases will not be made until July 1.

The Meserole group, including the Pacific, Bankers & Shippers and New Jersey, is out in the Dieterly, H. H. Evers, Gunther-Looker, Ohio, Weiss and Winans & Price agencies and in the Harkness & Wirthwine, Lyons and Midland agencies.

### Handles "Hindenburg" Claims

The United States Aviation Underwriters have been collecting bids on the aluminum alloy salvage of the former airship Hindenburg. The New York firm is acting as agents of the Deutsche Luftpool, the group of German insurance carriers which insured the Hindenburg. The engines have already been returned to Germany.

Bids ranged from \$4,000 to \$12,000 for the wreckage. The ship cost nearly \$4,000,000 to build. The work of cutting apart the wreckage with acetylene torches has been virtually completed. Estimates of the amount of aluminum in the framework vary widely. There is probably between 25 and 50 tons. In addition to the salvage, the United States Aviation Underwriters also is handling the claims arising in connection with American passengers on the Hindenburg.

### Collins Succeeds Diefendorf

NEW YORK, June 23.—J. F. Collins has been named chief of the miscellaneous bureau at the New York department's office here, a post previously held by J. F. Diefendorf, who retired last December. Mr. Collins, formerly a deputy at the Albany office, became an examiner in 1920. He is a member of the committee on blanks of the National Association of Insurance Commissioners and a member of the committee on New York insurance law revision.

### Iverson Suffers Arm Fracture

D. N. Iverson, assistant U. S. manager of the Century, suffered a fracture of the right arm recently and has been handicapped in conducting his work.

### Sioux City Women Hear Mills

Allen Mills, special agent of the Camden, talked on U. & O. coverage at the meeting of the Sioux City Women's Insurance Association.

Practical, workable principles for building a local agency—read "The Autobiography of a Successful Insurance Agency." Price \$2. The National Underwriter.

# Much Competition Found Now for College Seniors

NEW YORK, June 23.—Companies which for some years have made it a practice to pick a number of the outstanding members of college senior classes are finding it more difficult than ever to obtain the men they want, so great is the competition from other lines of business. These are not the men who are taken on in more or less routine fashion but are those whom the company's talent scouts have selected as the cream of the various graduating classes and who are then interviewed by home office executives with a view to grooming them for future positions of responsibility.

Business generally, to a greater extent than the insurance carriers, has been forced to curtail its recruiting activities during the depression and is now trying to make up for lost time. Bidding for the outstanding men in the various senior classes has this year taken on the appearance of fraternity "rushing" activity.

#### Want All 'Round Distinction

By "outstanding" is meant not only the exceptional student but a man who has distinguished himself in a well-rounded record of campus activities. It is freely conceded that too much reliance may be placed on scholastic grades and campus honors and that much good material may be overlooked by relying on these criteria plus one or more interviews in which the company executives size up the man's personality. However, the method has shown quite satisfactory results and no very reliable substitute has yet been introduced.

One difficulty with inducing the more desirable type of college seniors even to consider entering the insurance business is that when the word insurance comes to their minds they immediately think of life insurance and life insurance selling. Unluckily, they seem to know more about the failures and near-failures of poorly equipped life men than they know about the outstanding successes of the thoroughly competent ones. And no matter what their opinion of life insurance sales work may be, a great preponderance of college seniors have extremely little confidence in their ability to sell and no desire at all to get into that field.

This is mainly because their idea of a salesman is one who turns on his high powered, charming personality and in

some mysterious manner sells something he knows practically nothing about to a customer he has called on "cold turkey" and who has not the slightest need for the product or any desire whatever to buy it. Field work for a fire or casualty company is largely a selling job and some of the best salesmen in this work were men who at the start of their careers would have denied any aptitude or desire for sales work.

Aversion to the idea of selling is frequently based on the fact that the new man does not realize that while a good personality is important, a thorough grounding in insurance knowledge is of the utmost importance to his success.

#### Types of Men Sought

Companies vary in the extent to which they seek divergent types of men for technical as opposed to contact work. Some look for the purely sales type of man for contact work and the more studious sort for the underwriting or engineering side. Others feel that it is better to have the contact man be an experienced underwriter, on the ground that his usefulness and prestige among local agents and the public will be sufficiently enhanced to justify the greater difficulty of obtaining men who can fill this dual role.

The man with a flair for contact work who at the same time is of a sufficiently studious turn to be capable of development as an underwriter is the most difficult to find among the graduating classes. Not only is it more difficult to find a man who will be successful in both these fields than in either underwriting or sales work alone, but he is the type of man whom concerns in nearly every line of business are eagerly bidding for.

## Stevens Outlines Premium Financing

Allan C. Stevens, local agent of White Plains, N. Y., and president of the Great Eastern, has issued a statement elaborating the premium financing scheme that he is promoting. This statement more clearly indicates the function of the surety bonds that he proposes be issued to guarantee the lender return

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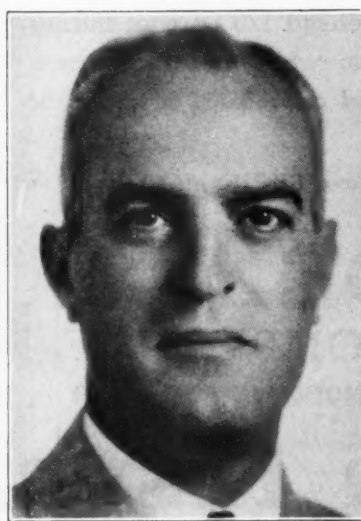
## LEADERS AT CONVENTION OF VIRGINIA AGENTS



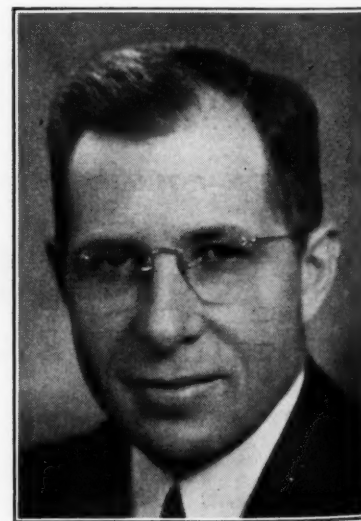
ROGER CLARKE, Fredericksburg  
State President



W. H. BENNETT  
Secretary National Association



L. E. ENGLISH, Richmond, Va.  
President General Agents Association



T. G. REDDEN, Greensboro, N. C.  
North Carolina President





Tho' time and customs change, Insurance adapts itself, and, as always, provides the coverage to fit the need.

Old enough to be experienced, modern enough to meet current requirements, sound enough to stand in the highest rank

## Great American

has the confidence of the public and of the insurance fraternity.

### WESTERN DEPARTMENT

310 South Michigan Avenue :-: CHICAGO, ILL.

C. R. STREET, Vice President G. D. GREGORY, Secretary

GREAT AMERICAN INSURANCE CO.  
AMERICAN ALLIANCE INSURANCE CO.  
DETROIT FIRE & MARINE INSURANCE CO.  
COUNTY FIRE INSURANCE CO.  
OF PHILADELPHIA  
NORTH CAROLINA HOME INSURANCE CO.

Fire

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## Great American Group of Insurance Companies New York

GREAT AMERICAN INDEMNITY CO.  
ROCHESTER AMERICAN INSURANCE CO.  
MASSACHUSETTS FIRE & MARINE  
INSURANCE CO.  
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Casualty

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NEW YORK • CHICAGO • MONTREAL • SAN FRANCISCO

AGENTS EVERYWHERE



## Basis for Valuation of Securities in 1937 Is Set

### SLIGHT CHANGES ARE MADE

#### Commissioners Also Recommend State Legislation Requiring Amortization of Bonds

PHILADELPHIA, June 23.—The committee on valuation of securities of the National Association of Insurance Commissioners reported as follows at the annual meeting here, the report being adopted:

"The committee recommends the adoption of legislation in the various states for compulsory amortization in reporting the values of eligible bonds in the annual statements. This is a conservative and sound practice and has been followed in life insurance for many years.

"The committee has prepared a resolution which it offers for adoption. The provision relating to stocks held by life companies is the same as that adopted last year. This provision allows the use of cost value or book value, whichever is lower, provided the income on such securities is sufficient to maintain the companies' reserves. At the present time it has the effect of permitting life insurance companies to carry stocks in their report at a figure below present market quotation.

#### Slight Change Is Found

"Resolution differs in one respect from last year's resolution. The change relates to state, county and municipal bonds. The committee recommends the use of market quotations of such bonds as of Dec. 1, 1937. Such action will bring the valuation date up to the latest convenient time for obtaining values. By the use of the Dec. 1 date, it will be possible to issue the valuation book shortly after the close of the year.

"The discontinuance of the use of the average value makes no material difference in view of the fact that present average market quotations are but 2 points higher than the association's value as of Dec. 31, 1936. An average of these would produce a valuation only 1 point below the present market quotations.

"The resolution continues last year's provision that stocks and bonds other than state, county and municipal bonds and the bonds of political subdivisions thereof, will be valued at market quotations as of Dec. 31, 1937."

The text of the resolution is:

#### Valuations Book Formula

"Resolved, that the book on valuations of securities to be published under the auspices of the National Association of Insurance Commissioners in January, 1938, shall be prepared upon the following basis:

"1. Stocks and bonds (other than those described in paragraph 2 below) shall be valued at market quotations as of Dec. 31, 1937, except that in the case of securities not quoted on that date the latest available information shall be used. Stock valuations shall include dividends declared or accrued.

"2. Bonds of states of the United States and of provinces of Canada and political subdivisions thereof shall be valued at market quotations as of Dec. 1, 1937; if issued subsequent to Dec. 1, 1937, the original offering price (cost) shall be used.

"Resolved, that for the inventory of stocks and bonds in the annual statements of insurance companies and societies as of Dec. 31, 1937, the following basis is recommended as fair market value:

"1. All bonds amply secured and not in default shall be valued on an amortized basis wherever and in the manner permitted by law.

"2. All other bonds—and where amortization is not permitted by law all bonds—should be valued as shown in

(CONTINUED ON PAGE 29)

## AS SEEN FROM CHICAGO

### HOLD OFFICES ARE MOVED

The Chicago offices of the Home Owners Loan Corporation and of the Stock Company Association are being moved to the Merchandise Mart, 336 North Wells street. The telephone is Delaware 1262. A. P. Morey is special agent in charge of the Stock Company Association.

\* \* \*

### BROKERS TO GO ON LAKE CRUISE

The 26 Club of Chicago, a brokers discussion group, will board the "City of Grand Rapids" June 29 for an all-day cruise to Milwaukee where various breweries will be reinspected. The club held a similar cruise last year. H. F. Corydon, the chairman during June, is in charge of arrangements. A number of company men are going along.

\* \* \*

### SCHOOL RISKS AND THE CODE

Observers believe that under the fire insurance rate portion of the Illinois insurance code, the practice of bidding for school risks in Cook county outside of Chicago will have to be discontinued. The present practice is for companies to submit competitive bids for such risks and the advisory rates of the Chicago Board are not mandatory. Organization companies submit competitive bids and the situation has been wide open. A reading of the fire insurance rate section would indicate that hereafter the advisory rates would have to be charged.

\* \* \*

### GENERAL GARRITY IN CAMP

John J. Garrity, well known Chicago broker and former general of the Illinois national guard, attended and took a leading part in the annual encampment of United Spanish-American War Veterans of Illinois at Decatur. He organized and became first senior vice-commander of William A. Chadwick camp (now Columbia Camp No. 2) of the veterans organization in 1899, later being commander. He was national aide in 1906-1907, inspector general from 1919 to 1921, adjutant general of the veterans in 1921-1922 and commander-in-chief in 1927-1928. Since 1931 he has been a member of the national finance committee.

\* \* \*

### HUPMOBILE DEAL CLOSED

After consideration of proposals submitted by several leading insurance organizations, the Hupp Motor Car Corporation, manufacturers of Hupmobiles since 1908, has renewed with the Western Factory Insurance Association the general form fire insurance on its plant and properties.

The corporation's recent refinancing provides more than ample funds for the successful completion of a program, calling for the introduction of 1938 model Hupmobiles this summer. These new models incorporate all latest features of design in the automotive field.

\* \* \*

### ARRANGE FEDERATION OUTING

Plans are shaping for the annual meeting and outing of the Illinois Insurance Federation at Aurora country club July 15. President W. H. Hansmann, vice-president Fidelity & Deposit, Chicago, with members of the arrangements committee, will go to Aurora this week to complete details. Prizes are offered in the golf tournament. Besides Mr. Hansmann the committee consists of Gail Reed, chairman; B. J. Nietschmann, National Surety, and J. L. Machle, American Surety. The business meeting and election will be held during the luncheon to leave the balance of the day free for golf and good-fellowship.

\* \* \*

### GALLAGHER WAS NOT RESCUED

In the Monday morning Chicago newspapers, Vincent L. Gallagher, western manager of the Pearl, was listed as one of those who was rescued in the

storm on Lake Michigan Sunday afternoon. Mr. Gallagher is embarrassed by this reflection upon his navigating ability. He had crossed the lake to Michigan City in his boat, accompanied by a friend from Milwaukee, and George Blum of the Underwriters Adjusting. The storm overtook them on their return and they had a rough time for a while because they were caught with their sails up. However, they came through safely and following the storm were becalmed about three miles off the Chicago shore. A coast guard boat had been summoned to help another craft in distress farther out and in passing asked Mr. Gallagher whether he would like to be towed to shore. Mr. Gallagher accepted the invitation, as a means of saving time, but it was necessary to enter him on the coast guard records as having been rescued. His boat is the "Alskling."

\* \* \*

### KENNEDY & FISCHER ACTIVE

The Chicago law firm of Kennedy & Fischer, 10 South LaSalle street, is becoming a factor in insurance legal work these days. Millard B. Kennedy has taken an important part in what might be called public service work affecting insurance in recent years and his firm is developing an insurance clientele. At present he is chairman of the casualty insurance committee of the American Bar Association insurance section. He is a former member of the automobile insurance committee of the bar association that assisted in drafting the form of uniform automobile insurance liability policy now in general use. He is chairman of the corporation law section of the Illinois State Bar Association. He is chairman of the joint committee of the Illinois State Bar Association and Chicago bar that drafted the present Illinois business corporation act. He is former chairman of the corporation law committee of the Chicago Bar Association and amendment of the law committee. He belongs to the International Association of Insurance Counsel, Chicago Bar and Illinois State Bar Association. He graduated from the University of California law school, is admitted to practice in all Illinois courts as well as courts in several other states and in the United States Supreme Court.

Malcolm McKerchar of the Kennedy & Fischer firm specializes in trial work. He graduated from Northwestern University and was admitted to the bar in 1916.

Leon M. Despres specializes in real estate law. He graduated from the University of Chicago law school. G. T. Wiley specializes in trial work in federal courts. He graduated from the University of Chicago and Kent College of Law. He was admitted to the bar in 1923.

T. L. Thau graduated from the University of Chicago law school and was admitted to the bar in 1934.

\* \* \*

### FIELD MEN HAVE OUTING

The Cook County Field Club held its annual outing at Big Run Country Club. There was large attendance.

\* \* \*

C. J. Munn, manager of the Cook County Loss Adjustment Bureau, Chicago, has returned after attending the graduating exercises at Sweet Briar College, Sweet Briar, Va., of his daughter, Barbara Anne Munn.

\* \* \*

L. C. Thoelecke, who supervises the operations of the Norwich Union in Chicago and St. Louis, has been elected a class 1 member of the Chicago Board.

\* \* \*

A news item referred to the M. L. Ottenheimer Sons agency of the Lincoln National Life. This agency always has been known as L. Ottenheimer Sons, F. L. Ottenheimer being general agent. The office does a general insurance business as well.

## Michigan Field Groups in Gatherings at Port Huron

### NEW OFFICERS ARE ELECTED

#### Blue Goose, Underwriters, Preventionists and Field Club in Big Turnout

PORT HURON, MICH., June 23.—The annual Michigan field men's rally was held at Gratiot Inn for two days, more than 130 company executives, state managers, branch managers and fire special agents attending. Business meetings, including annual meetings of the Michigan Blue Goose, Michigan Fire Underwriters Association and Michigan Fire Prevention Association, and the monthly meeting of the Michigan Field Club, were brief.

The Blue Goose initiated goslings and elected new officers, holding a goodfellowship banquet, with golf and quoits tournaments the following day. Most Loyal Gander E. C. Sauley, Great American, presided. Those inducted into the order were R. D. Billings, Detroit F. & M.; R. J. Bothwell, Fidelity-Phenix; L. P. Bradshaw and E. A. Gadde, Underwriters Adjusting; H. B. Chrissinger, National Inspection; W. S. Gerlach, Crum & Forster; E. J. Klima, Hanover; R. M. Morse, insurance department; W. L. Nicholson, American of Newark; C. H. Trefz, Standard of New York, and G. E. Woodfield, Firemen's of Newark group.

#### Edleman Heads Blue Goose

G. R. Edleman, Home fleet, was advanced from supervisor to most loyal gander. Walter Wolf, American of Newark, became supervisor, M. L. Degenaar, Milwaukee Mechanics, advanced from guardian to custodian, and T. M. Nyholm, National of Hartford was elected guardian. W. T. Benallack, Michigan F. & M., and G. P. Kessberger, Hartford, were reelected welder and keeper, respectively, they being past most loyal ganders.

Messrs. Edleman and Benallack were elected representatives to the grand nest, and R. S. Pritchett, Indiana state agent American of Newark, guardian two years ago, custodian last year while state agent for his company in Michigan, and who was slated for supervisor at this meeting, was presented an engraved cigarette case.

Silver emblems for 25 years or more membership will be presented to Messrs. Benallack and Kessberger, J. B. Adams, J. W. Beck, C. H. Bloom, H. E. Bowen, C. A. Dafoe, W. C. Gerow, D. H. Luce, A. N. McDougall, J. H. McFarlane, G. K. Marsh, Stuart Morgan, H. L. Newman, E. G. O'Brien, C. A. Palmer, A. F. Powrie, western manager Fire Association, Chicago, C. A. Reekie, E. F. Richards, F. A. Rye, D. R. Simmons and O. D. Wiche.

#### Hukill Banquet Spenker

Commissioner Gauss who was to have been toastmaster at the goodfellowship banquet, was unable to leave Lansing because of a hearing, and Mr. Benallack stepped into the breach. R. W. Hukill, Fireman's Fund, Ohio, discussed grand nest activities and plans for the convention.

J. W. Mundus, Ann Arbor, immediate past president Michigan Association of Insurance Agents, speaking on "The Next Step," discussed Business Development work. W. C. Howe, Wayne county manager Firemen's of Newark group and past most loyal gander Ohio pond, gave a humorous address on "Here's How (From Ohio)." Mr. Benallack reminisced.

Rain handicapped the golf tournament, but 25 played. B. L. Hewitt, Boston and Old Colony, won both low gross and low net.

Among company executives attending were A. F. Powrie; G. K. March, Detroit, president-general manager Detroit

(CONTINUED ON PAGE 45)

## COMPANIES

### Royal Head Office Report

**Profits Amounted to £1,000,000; Fire Premiums Same as '35, Big Accident Account Increase**

The fire fund of the Royal now stands at £5,710,000, representing over 103 percent of the premiums, Chairman A. E. Pattinson reported at the 92nd annual general meeting of shareholders. Fire premiums last year amounted to £5,526,000, a drop of only one-half of 1 percent below those of 1935. A profit of £559,000 was transferred to profit and loss account.

In Great Britain, the fire business showed an increase in volume and profit, he reported. There was some premium increase in the United States and the results were satisfactory despite a general increase in claim cost.

#### Accident Account Is Up

In the accident account, premiums amounted to £5,494,000, increase £334,000. There was a profit of £340,000 or 6.2 percent. That is an increase of £43,000 as compared with 1935.

The premium income increased in the United States and profits were better than in 1935. Mr. Pattinson expressed gratitude to President F. J. O'Neill of Royal Indemnity.

The funds in the accident department amounted to £5,697,000, which is slightly in excess of the premium income.

Marine premiums amounted to £806,000 and the marine department had a profit of £52,000. The profits transferred from the fire, marine and accident account together with one-fifth of the shareholders proportion of the life profits for the past quinquennium amounted to £1,003,000. Total funds amounted to £48,989,000, increase £1,530,000.

#### Western Companies at Home

The Western companies of Fort Scott, Kan., formally opened their new air conditioned offices on the third floor of 916 Walnut street, in Kansas City. Approximately 400 brokers, agents, branch managers and company men attended the all-day open house. To ladies went flowers and to men, cigars, cigarettes and lighters.

#### Favorable Agency Status Ruling

The treasury department having handed down a ruling that agents of Northwestern Mutual Life are not employees within the meaning of the social security act, there is probably now no danger that representatives of fire and casualty companies will be held to be employees. The internal revenue bureau has been taking up the status of agents of individual life companies singly. It ruled last January that agents of Massa-

chusetts Mutual, Lincoln National Life and two or three others were employees. Northwestern Mutual ruling is the first favorable one the companies have had. It is regarded as significant and observers believe that sooner or later agents of all life companies will be held to be exempt. If life insurance agents are exempted, there can be no question that agents of fire and casualty companies will be definitely excluded. Those agents are far less subject to company control than are agents of life companies.

As a matter of fact, those close to the situation say that there has never been any real danger that agents of

fire companies would be held to be employees.

#### Cotton Premiums Taxable

LITTLE ROCK, ARK., June 23.—Assistant Attorney General Streppey has notified Commissioner Harrison that the state should collect a 2 percent tax on premiums collected on insurance on cotton owned by the Commodity Credit Corporation and the Agricultural Adjustment Administration where the cotton is stored in the state.

Mr. Harrison wrote the attorney general that fire companies had protested the payment of the taxes.

Mr. Streppey held that a 5 percent

penalty claimed to be due for reinsurance on such cotton placed outside the state could not be collected.

#### Asbestos Not Adequate

A number of contractors have been using asbestos as a lining for air ducts in air conditioning systems on the theory that this material is non-flammable and would meet the safety requirements. The National Board, however, advises that asbestos is not considered a satisfactory lining because of the fact that the forced air will soon dissipate the asbestos from the ducts. It will not stand up under the force of the air.

# GOING AHEAD



**E**ACH pulling his fair share of the load! Action smooth . . . purpose definite . . . going ahead!

This photograph is a perfect example of teamwork. Neither one is shirking. Both have settled into the harness to do the job well—giving full support to each other.

\* \* \*

That's the way we work with agents. We know unnecessary correspondence is a nuisance—so we hold it to a minimum. We know that when you make a request for information or service, you want attention in a

hurry—and we try to get immediate action.

Teamwork—support—cooperation . . . we give them wholeheartedly. Perhaps that is why we're often called "Friendly Folks." That's a nickname we are proud of, and you may be sure we will do everything possible to live up to it.

If you have a place for a friendly experienced company, we suggest you ask some of our present agents about us. Shall we send you their names? Or would you rather talk with one of our fieldmen?

**Agricultural**  
Insurance Company  
of Watertown, N.Y.

**Empire State**  
Insurance Company  
of Watertown, N.Y.

EVERY TYPE OF PROPERTY INSURANCE FOR INDUSTRY AND THE HOME

### WANTED

We can give the right man exclusive sales rights in any of the following States: Illinois, Wisconsin, Michigan, Indiana, Ohio and New England.

The White System Co., Inc.  
P. O. Box 837, Richmond, Va.

### WANTED

Cook County fire special agent with knowledge of inland marine and automobile. For large company. In reply give complete information concerning education, age, experience, salary expected, etc.

ADDRESS F-90, NATIONAL UNDERWRITER



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## of Agency Cooperation

On the "firing line," shoulder-to-shoulder with PACIFIC NATIONAL Agents—that is where our officers, department heads and special agents spend a good share of their time.

1936 average: 23,642 miles a month by automobile alone. 1936 total: nearly one-third million miles by car, 'plane and train—greatly exceeding the distance from the earth to the moon!

Constant Agency contacts give these PACIFIC NATIONAL representatives intimate, sympathetic understanding of Agency problems. To know them is to welcome them as real friends and co-workers.

You, as a PACIFIC NATIONAL Agent, can profit by their ideas, specialized services, experience and business-building skill. Grow with us.

## PACIFIC NATIONAL FIRE INSURANCE COMPANY

HOME OFFICE • SAN FRANCISCO

Eastern Department

INDEPENDENCE BUILDING  
PHILADELPHIA

W. A. WATERS, Assistant-Secretary  
Other Offices

ATLANTA  
CHICAGO  
PORTLAND

• LOS ANGELES  
• SEATTLE

## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### ROYAL-LIVERPOOL COURSE ENDS

Members of the Royal-Liverpool group who have completed an educational course honored C. D. Minor, special service department superintendent, with a dinner. He was presented a desk set. The course, started last September, was for a selected group of staff members being trained for field and home office underwriting duties.

\*\*\*

### SUPPLEMENTAL CONTRACT PARLEYS

At the meeting here of the special committee drafting a uniform supplemental contract, the legal phases of the proposed form as reviewed by J. H. Doyle, general counsel National Board, and R. J. Folinie of Chicago were considered. Another session of the committee has been arranged for July 1. Representative adjusters, company and bureau, have been invited. In due course, it is hoped, the contract will be completed and sent the rating bodies for promulgation.

\*\*\*

### N. Y. BLUE GOOSE ANNUAL MEET

The New York City Blue Goose will hold its annual meeting in the rooms of the National Board next Wednesday afternoon.

\*\*\*

### UNION DRIVE IN NEW YORK

Secretary Eugene Tunner of the United Office & Professional Workers of America states a campaign to organize white collar workers in financial and insurance companies in New York will start Sept. 1 following the vacation season.

Among the objectives of the union are: minimum salary \$21 a week; an immediate 20 percent increase in present salaries; 35-hour, five-day week; time-and-a-half for overtime; protection of seniority rights, and two weeks vacation with pay.

From time to time in recent months organizers have been standing about the large insurance buildings in New York, handing out circulars tending to create dissatisfaction among employees in company and agency offices, and urging the formation of an association. They have made little headway, however.

\*\*\*

### LIST BIG LOSSES IN MAY

These fire losses of \$100,000 or more occurring in May are listed by the New York "Journal of Commerce":

Malden, Mass., theater, \$100,000; Allenshurst, N. J., hotel, \$150,000; Brookline, furniture factory, \$100,000; Napanock, N. Y., club building, \$150,000; Natural Dam, N. Y., paper mill factory, \$250,000; Knox, Pa., bottle warehouse, \$120,000; Philadelphia barn, \$100,000; Philadelphia pier, \$270,000; Pittsburgh glass factory and furnace plant, \$125,000; Valley Falls, R. I., automobile agency warehouse, \$200,000; Dumas, Tex., oil and gas plant, \$100,000; Texarkana, Tex., department store, \$100,000; Lexington, Ky., freight depot and grocery warehouse, \$200,000; Detroit factory building, \$100,000; Hancock, Mich., church and school, \$200,000; Posen, Mich., three warehouses, dwelling and store, \$100,000; Spring Hill, Tenn., dwelling, \$100,000; Spokane, school, \$100,000; Tahoe City, Cal., summer resort, \$250,000; Vallejo, Cal., navy yard, \$200,000; Phillipsburgh, Mont., manganese mill, \$120,000.

\*\*\*

### GLEN COVE'S CENTURY PARTY

The 100th anniversary of the founding of Glen Cove Mutual, which is now one of the James S. Kemper companies, was celebrated at an outing and dinner in Glen Cove, L. I. The speakers included Insurance Superintendent Pink of New York, R. J. Chase, Lockport, N. Y., president National Association of Mutual Insurance Companies; A. V. Gruhn, general manager American Mutual Alliance; Harry Harrison, secretary, Worcester Mutual Fire; J. H. R. Timanus, assistant secretary Philadelphia Contributionship; Mayor Mason of Glen

Cove, and Mr. Kemper who is president. B. W. Downing of Manhasset, L. I., was toastmaster. In the morning there was a meeting of directors and advisory board members. A buffet luncheon was served and there was a golf tournament.

Glen Cove Mutual was organized by some of the villagers following the New York fire in 1835 that caused the failure of 23 insurers. In 1917 Glen Cove was granted permission to operate outside of New York and it is now licensed in 15 states and the District of Columbia. It became a member of the Kemper group in 1932 and since then has concerned itself largely with developing business on Long Island and in New York state.

\*\*\*

### AMERICA FORE GOLF DAY

More than 50 officers and department heads of the America Fore were entertained at a golf tournament and dinner in Glen Ridge, N. J., by President B. M. Culver.

The silver golf trophy, presented some years ago by the late chairman, Ernest Sturm, was won by W. H. Emes, auditor.

Mr. Culver provided three other prizes for low net scores. The first went to Wade Fetzer, president W. A. Alexander & Co., Chicago; the second to H. H. Kraemer, manager of the local Continental brokerage department; and the third to R. F. Rieder, secretary of the fire companies.

President Culver then presented to Vernon Hall, vice-president of the fire companies, an individual silver cup, marking the fact that he was last year's winner of the trophy.

Following the dinner Mr. Culver introduced several executives. Vice-president Frank A. Christensen voiced the appreciation of the guests.

The out-of-town guests included, besides Mr. Fetzer, E. A. Henne, Chicago, vice-president in charge of the western department; Louis P. Jervy, secretary in charge at Atlanta; W. E. Baldwin of Montreal, manager in Canada, and E. B. Vickery, secretary at Chicago.

### Sustain Hall & Henshaw Fines

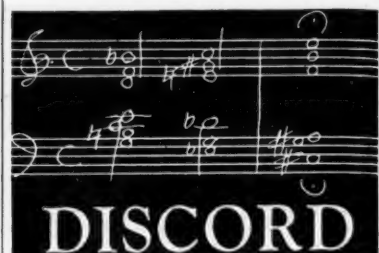
NEW YORK, June 23.—Members of the New York Fire Insurance Exchange at a largely attended special meeting today sustained the action of its arbitration committee in holding the important Hall & Henshaw office guilty of rate violation in relation to two lines, each covering upon restaurant chains. For one offense a penalty of \$400 was imposed and for the other, in addition to a penalty \$686, the line was ordered canceled by the agency, it to remain off for one year.

The F. H. Guerlin Insurance Agency has been opened at 3823 North Green Bay avenue, Milwaukee. Mr. Guerlin was formerly with A. L. Grootemaat & Sons. Hugo Kreutlein is associated with the Guerlin agency.

Consequential Coverages answers all questions on U. & O., profits, rent and leasehold insurance. By W. S. Foster, foremost authority. \$2. Order from National Underwriter.

### State Supervision Plan Is Endorsed by Murphy

To give the public a better understanding of the broad scope of insurance, Commissioner Murphy of Iowa talked over the radio this week at Philadelphia in connection with the annual meeting of the National Association of Insurance Commissioners. The commissioners are organized to promote uniformity in legislation affecting insurance and in insurance department rulings, to disseminate information and to establish means of fully protecting the interests of policyholders, said Mr. Murphy.



We are not  
music critics

but:—

discord has no place  
in the business of insurance any more than  
in music. A company  
practicing friendly  
relationship with its  
agents can be of more  
service to them.

"Your Friendly Company"

## SECURITY FIRE INSURANCE CO.

DAVENPORT, IOWA

PROTECTION SINCE 1883



## New Louisville Paper Friend of Dunne, Labor

LOUISVILLE, June 23.—The Louisville "Tribune," weekly, published at 301 South Fifth street, Louisville, same address as James E. Dunne, the "Insurance Index" and Dunne's Insurance Reports, made its bow, dated June 12, Volume 1, No. 1, showing no publisher or editor by name, but lambasting the Louisville banks, and more particularly the First National bank of Louisville. The second issue has now made its appearance.

The front page of the first edition carries this headline: "Labor Trades Denounce the First National Bank."

On page 4 are found resolutions alleged to have been adopted by the Central Labor Union of Louisville, regarding alleged discrimination against Dunne and his paper, etc., purportedly because Dunne has been favoring union labor.

Then there is a copy of a wire from Dunne to U. S. Senator LaFollette, as chairman of the civil liberties committee, alleging concerted action against his interests by Louisville banks, who it is alleged have cut off his credit without justification account of his favoring collective bargaining.

Another crack is taken at banks doing an insurance business and using real estate loans as a method of taking business away from agents. In a one line item bank clerks are advised to organize. Elsewhere it is charged that banks betray President Roosevelt in diverting R.F.C. funds for private gains.

The paper carries no advertising, favors unions, President Roosevelt, uses many columns in criticising banks, offers a lot of legislative methods for control of banks, denounces the white slave traffic in Louisville and economic royalists.

## Zone Examination Plan Is Working Well, Read Reports

(CONTINUED FROM PAGE 3)

commissioner of the domiciliary state, who desired a convention examination of one of his companies, advise the chairman of the examination committee and furnish the chairman with a statement of the volume of business done by that company in the states in which it is licensed. The chairman would relay that information to the zone manager and that manager would select one state to participate in the examination, giving regard to volume, geographical location and rotation.

Under the heading of "objections and criticisms," Mr. Read stated the suggestion has been made that the rules permit the selection of a state in the zone in which the domiciliary state is located. This would take care of such situations as where a company, licensed in a number of states, might have most of its business in two states of one zone.

### Objections and Criticisms

One question is, according to Mr. Read, whether the zone plan should be invoked every time an examination is conducted as directed by state law. In some states examinations are required annually, others every two years and still others once every three years. The question is whether each zone should participate in each examination or only once in each three year period.

Mr. Read stated the most serious objection to him is that sufficient time is not given to call examinations to allow committee chairmen and zone managers to function. A number of examinations, he said, have been called to commence within 10 days or two weeks. By the time the call reaches the committee chairman and he in turn notifies the six zone managers and they notify the state which is to participate in the ex-

amination, the date for commencement has arrived.

### Bailey in New England

W. G. Bailey has been appointed special agent in Connecticut and western Massachusetts for the Scottish Union. He previously traveled Kentucky and Ohio for the company.

### Doughty, Bartlett Change

G. O. Doughty, formerly with a Del Rio, Tex. agency, has been appointed manager of the San Antonio branch office of the Texas insurance commission, succeeding B. J. Bartlett, who re-

signed to become special agent of the Gulf Fire in southwest Texas.

### Kelsey, Day in Montreal

J. A. Kelsey, United States fire general agent, and G. Z. Day, assistant general agent of the Tokio M. & F., are in Montreal seeking a Dominion representative to succeed the late George Parkio.

### Cat's Meow in Meeting

The largest spring class of kittens in the history of the St. Louis court of Cat's Meow, 171, was initiated at a meeting presided over by J. L. Kelly. Dinner

and a floor show followed. Paul Murphy, of Bland & Co., was arrangements chairman.

### National Fire Has Dividend

The National Fire has ordered a quarterly dividend of 50 cents. It is payable July 1 to stockholders of record June 24.

M. T. Hazen, vice-president Hartford National Bank & Trust Co., has succeeded the late J. H. Roraback on the board.

J. G. Maconachy, vice-president Fire Association, has completed an Hawaiian trip.

THIRTY  
TO FIFTY  
GALLONS  
A MINUTE

**THIRTY** to fifty gallons of water per minute from every open sprinkler head . . . means protection while the fire burns . . . *destruction* after the fire is out. Which leads to the very important question: **WHO WILL TURN OFF THE WATER** when the sprinkler has done its job?

A.D.T. Sprinkler Supervisory and Waterflow Alarm Service answers this question *automatically*. Any flow of water in the sprinkler system . . . from an open head or a serious leak . . . instantly transmits an automatic alarm to the A.D.T. Central Station. The fire department, insurance patrol, or both, are immediately dispatched direct to the premises . . . to fight the fire and turn off the water . . . to minimize damages by prompt salvage measures.

A.D.T. Sprinkler Supervisory and Waterflow Alarm Service makes the Sprinkler system immune to human carelessness, forgetfulness and neglect. Every vital part of the sprinkler system is under continuous, electrical supervision of an outside Central

Station. Trouble conditions are detected *automatically when they occur* and immediate corrective action is taken. And when fire starts, the fire department is summoned *automatically* the instant the first sprinkler head opens.

## A.D.T. SPRINKLER SUPERVISORY AND WATERFLOW ALARM SERVICE



Fire loss trivial—but a water loss running into thousands of dollars . . . an all too frequent occurrence when sprinklers are unsupervised.

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NEW YORK, N. Y.

**A.D.T.**

**A NATION-WIDE PROTECTION SERVICE  
AGAINST FIRE, BURGLARY AND HOLDUP**

## NEWS OF FIELD MEN

### Wisconsin Field Gathering

**Nurnberg Named to Head Blue Goose, Lane Preventionists Chief at Elkhart Lake Rally**

ELKHART LAKE, WIS., June 23.—Annual meetings of the Wisconsin Blue Goose and Wisconsin Fire Prevention Association here Tuesday night preceded conventions of the Wisconsin Fire Underwriters Association, composed of Union field men, and the Wisconsin Insurance Club, consisting of Bureau field men, Wednesday and Thursday.

H. C. Nurnberg, Nurnberg Adjustment Co., was elected most loyal gander; J. L. Whitman, Underwriters Adjusting, supervisor; D. W. Swanson, St. Paul F. & M., custodian; E. C. Hauser, North British group, guardian; I. E. Frey, Firemen's group, keeper; and R. A. Kenzel, Northern Assurance, retiring most loyal gander, became welder. Mr. Kenzel succeeds C. P. Helliwell, who declined reelection and also has announced retirement as grand welder at the Vancouver convention in August.

#### Lane Is Named President

N. C. Lane, St. Paul F. & M., was advanced to president of the prevention association, which met in conjunction with the Blue Goose. He succeeds G. C. Peacock, Agricultural, who was elected secretary-treasurer as successor to C. R. James, Aetna Fire. The latter retired after about 14 years in office and would not consider reelection. I. E. Frey was named vice-president. The principal speaker was J. B. Taylor, Western Actuarial Bureau, Chicago, who spoke on cooperation in fire prevention work. Following the meetings, members and guests attended a buffet luncheon arranged by the Blue Goose. Harry Nurnberg was general chairman, J. C. Qualmann, H. E. Miller and Billy Rice in charge of entertainment, and C. P. Hall and L. R. MacDonald of the buffet supper.

#### Underwriters Session

Thomas Larkins, Hartford Fire, Milwaukee, president Wisconsin Fire Underwriters Association, presided at the opening session at that organization. The committee on arrangements consists of H. C. Busack, Norwich Union, chairman; Fred Edler, New York Underwriters, and George Stetner, North America. Another business session and the election will be held Thursday morning.

The afternoons of both days are being devoted to recreation and sports. In charge of baseball are E. S. Willman and B. F. Lutz; golf, Charles Dox and D. W. Swanson, and horseshoe, Harvey Girard and Francis Henze. The annual dinner-dance is to be held Wednesday night. The Wisconsin Women of the Blue Goose will be in charge of the program for ladies of the field men attending.

W. F. Parnemann, Northwestern National Fire, Milwaukee, was chairman of the Wisconsin Insurance Club meeting Wednesday as president of the Bureau company field organization.

### Rice Heads Virginia Pond

R. C. Rice, Phoenix of London, was elected most loyal gander of the Virginia Blue Goose at its meeting. He was also named delegate to the grand nest. Other officers elected were as follows: R. F. Rushin, Home of New York, supervisor; J. W. Kessler, Virginia Fire & Marine, custodian; A. C. Word, Louis E. English, general agency, guardian; W. C. Saunders, Fireman's Fund, keeper; E. H. Stover, welder. Three candidates were initiated: J. G. Brown, Liverpool & London and Globe; L. C. Phelps, Travelers Fire; Harry Brown, Southeastern Underwriters Association.

### Zeiser and Thurman Elected

**Kentucky Field Men Hold Gatherings at Louisville—Taylor, Lawson and Rodgers Speak**

The Kentucky State Fire Prevention Association at its annual meeting at French Lick, Ind., elected David Zeiser, Great American, president, succeeding J. Branch Tabor, of the America Fore; L. E. Driscoll, of the Norwich Union, vice-president; and Emmet Parsons of the Standard and Tokio, was reelected secretary-treasurer, a post he has held for a number of years.

J. Burr Taylor, Western Actuarial Bureau, Chicago, was the chief speaker on fire prevention.

H. W. LaRue, secretary Continental; George Cundiff, assistant manager farm department of the Home; S. M. Buck, western manager of Fireman's Fund, and Clem Wheeler, associate general agent of the Hartford Fire, all from Chicago, were visitors.

At the Kentucky Fire Underwriters Association's conference, E. D. Lawson, manager western marine department, Fireman's Fund, spoke on special lines and more particularly on the "Personal Property Floater," offering a number of suggestions regarding this type of coverage.

President Wallace W. Smith presided. This was the mid-year meeting for this body, which has its annual meeting in November.

Wallace Rodgers, assistant manager Western Underwriters Association, who was to have talked before the Kentucky Fire Underwriters Association, spoke at a special session prior to the start of the prevention meeting. He discussed the business development program.

#### Thurman Heads Blue Goose

The Kentucky Blue Goose at its annual meeting today elected C. P. Thurman, most loyal gander, succeeding L. E. Driscoll, Norwich Union. E. C. Hill, Aetna Fire, was named welder, succeeding R. K. Langan, Great American, who was recently transferred to Michigan. Other officers moved up in order were Leland Meeks, Fidelity & Guaranty Fire; Marshall Mellor, Home of New York; I. J. Holgreen, St. Paul; G. B. Akin, Royal Exchange, the latter also being newly elected. Mr. Thurman was named delegate to the grand nest meeting.

### North Dakota Field Meet Being Held at Alexandria

The Dakota Blue Goose, including both North and South Dakota, North Dakota Fire Prevention Association and North Dakota Fire Underwriters Association, will meet Friday and Saturday at Alexandria, Minn.

The Minnesota pond has invited Dakota pond members to be guests at a banquet Thursday evening at Peters' Sunset beach on Lake Minnewaska, near Glenwood, Minn.

Chief item of business for the Dakota pond will be installation of the officers, elected at the winter meeting, headed by Trimble P. Davis, Phoenix of Hartford, Fargo, as most loyal gander. A full program of sports and social events is planned.

Officers will be elected by the Fire Prevention Association and Underwriters Association. President and secretary of the former are C. M. Page and H. A. Paulson of Fargo; of the latter, O. A. Schollander and Leonard Zell of Fargo.

### Present 25-Year Buttons

NEW ORLEANS, June 23.—The Louisiana Blue Goose presented 25 year buttons to several ganders at a dinner. Those receiving the emblem were Julian

Prigleau, J. L. De Treville, E. H. Addington, Lee Burton, R. H. Colcock, B. R. Franklin, Sr., R. P. Strong, Edw. Bourne, Alonzo Church, J. B. Ross and W. S. Leake. R. U. Wright, most loyal gander, was presented a wrist watch. He leaves New Orleans June 28 to take up his duties as state agent in north Texas for the New York Underwriters.

### Carolina's Pond Has Large Turnout at Annual Meeting

The 30th annual convention of the Carolina's Blue Goose at Myrtle Beach, S. C., drew a turnout of 150. Six gossings were initiated. New officers are: S. L. Smith, Raleigh, N. C., general agent, most loyal gander; W. A. Camp, Royal, Bamberg, S. C., supervisor; Welborn Colquitt, Crum & Forster, Charlotte, N. C., custodian; R. H. Lewis, National Union, Greensboro, N. C., guardian; M. L. Fuller, Atlantic Fire, Raleigh, N. C., keeper; J. F. Satterlee, Atlas, Columbia, S. C., welder; B. S. McKeel, Raleigh, N. C., grand keeper, and Mr. Smith delegates to the Grand Nest. Mr. Satterlee and Mr. Colquitt are alternates.

In addition to the business session, a bridge tournament, boat ride, and the annual banquet were features. Past Most Loyal Gander R. S. Busbee was toastmaster and Past Most Loyal Gander R. L. Spaulding spoke on the early history of the Blue Goose.

### W. E. Griffith Is Head of San Francisco Blue Goose

W. E. Griffith, adjuster, was elected most loyal gander of the San Francisco Blue Goose at the annual meeting. Other officers are: L. E. Colburn, America Fore group, supervisor; T. F. Ryan, Fireman's Fund, custodian; F. J. Grover, Fire Association, guardian; J. H. Rea, North America, keeper; Harrison Houseworth, welder. Delegates to the Grand Nest are Stanley McPherson, Netherlands and retiring most loyal gander; Herbert Stockton, Travelers Fire with H. B. Manners, National Automobile Club, alternate.

The new officers were installed by C. L. Barsotti, the pond's first most loyal gander. Welder Houseworth announced there are 488 members. In a rising vote members approved the continued publication of the house organ, "The Honk," "retired" since the death of R. M. Carr last December. Mr. Carr had been one of the founders and always one of the active writers together with M. E. Pinney and R. C. Gillette.

#### FRESNO PUDDLE ELECTS

New officers of Fresno puddle are: C. B. Stewart, big toad; C. D. Bennett, pollywog; Dave Duncan, croaker and W. E. Newcomb, bouncer.

#### Florida Blue Goose Elects

At the annual meeting of the Florida Blue Goose, at Jacksonville Beach, these officers were chosen: Most loyal gander, G. E. Edmondson, general agent, Tampa; supervisor, T. C. MacDonald, Fireman's Fund, Orlando; custodian, S. G. White, Orlando; guardian, H. A. Chadbourne of the Aetna Fire, Jacksonville; keeper, C. T. Higginbotham, J. H. Norton & Co., Orlando; welder, L. F. Dunlap, Home, Jacksonville. This will be the ninth term for Mr. Higginbotham. A. H. Park, Orlando, declined an eighth term as welder in favor of Mr. Dunlap. F. W. Brundick, Jr., retiring most loyal gander, presided. Six new members were reported by transfer from other ponds, with a loss of eight by resignations and transfers.

#### Whitchurch on Absence Leave

H. E. Whitchurch of Sioux Falls, state agent of the American in the Dakotas, has been granted a three months leave of absence from active duties on account of his health, which has been

poor for several months. During this time he expects to get away and take a complete rest after which he will expect to resume his duties.

### Oppenheimer a Special Agent

The Agricultural group has appointed E. S. Oppenheimer, Springfield, Mass., special agent. He will represent the Agricultural, Empire State and Empire State Underwriters in the New England states, with headquarters at 44 Vernon street, Springfield.

He entered the business in 1922 as a home office underwriter in Hartford and then traveled New England. From 1932 until 1936 he was with his father in the agency of Oppenheimer & Co. of Springfield. He served as a member of the Springfield city council for five years.

#### Discuss Mutual Competition

The New Jersey Field Club, of which A. K. Andrews is president, will hold an open discussion on handling mutual competition following a dinner in Newark June 28.

Representatives of the Business Development Office and the Factory Insurance Association will take part in the discussion. Three new members will be admitted.

### Griffin Heads Quebec Pond

The Quebec Blue Goose has made Percy H. Griffin of Griffin & Co., in Montreal, most loyal gander.

Henry Parker, manager of the Sun in Montreal, is supervisor; Stanley F. LeRiche, secretary Union Fire of Paris in Montreal, custodian; J. R. Lachance, manager Rhode Island for Canada, Montreal, guardian; Stuart Regele, Givernaud, Que., keeper; Pierre Badeaux, advocate in Montreal, welder, and P. J. Ryan, fire manager of the Legal & General in Montreal, deputy welder.

### Eberts Named by Steckler

A. B. Eberts has been appointed special agent to succeed Lake Dupree working out of the Henry A. Steckler New Orleans office. Mr. Eberts entered the insurance business in 1917 with the southern department of the L. & L. & G., and later became an examiner in the New York office, resigning in 1928.

### Skinner Special Agent

H. D. Skinner, formerly with the Louisiana Rating & Fire Prevention Bureau, has been appointed special agent for Trezevant & Cochran in north Louisiana and northeast Texas with headquarters in Shreveport. He was for 12 years in the engineering department of the Louisiana Rating Bureau.

### Is South Dakota State Agent

R. P. Daniels has been appointed state agent of the North British & Mercantile group for that section of South Dakota previously handled by the late W. I. Rowe. He has established headquarters at Aberdeen.

Following several years experience as a local agent, Mr. Daniels became familiar with special agency work while assisting Mr. Rowe during his extended illness.

### New England Pond Elects

BOSTON, June 23.—F. E. Walls of Boston, state agent London Assurance group, was elected most loyal gander of the New England Blue Goose at the annual meeting. Other officers elected are: Supervisor, C. A. P. Johnson, special

### Meetings Are Scheduled for Business Development

Iowa—Des Moines, June 29, Hotel Fort Des Moines, Wallace Rodgers, speaker; Mason City, June 24. Meetings held at Creston and Fort Dodge.

Nebraska—Kearney, June 29; meeting held at Omaha June 21.

Oklahoma—Tulsa, June 25; meeting held at Muskogee, June 24.



agent Travelers Fire; custodian, F. T. Cronin, Merrimack Mutual; guardian W. A. Sturgis, local secretary North British & Mercantile; keeper, Joseph Atwood of William A. Muller & Co.; welder, B. F. Freeman. Mr. Freeman was designated delegate to the grand nest meeting.

#### Petersen Goes With Crawford

L. G. Petersen, former Wisconsin state agent Employers Fire, has gone with R. N. Crawford & Co., Chicago, where he will have charge of the fire department. He returns to Chicago after 10 years in the field.

He has been in the business 22 years. He started as office boy with the Phoenix of London and was with the Eagle Star and Fred S. James in Chicago for 13 years before going with the Employers Fire.

#### To Hold Wawasee Outing

The Ohio Fire Underwriters Association will not have its customary meeting in Columbus the first Tuesday in July. The annual outing to be held at Lake Wawasee, Ind., will take its place. Monthly meetings will be resumed in September.

#### Hartford Fire Appoints Clark

The Hartford Fire has appointed R. N. Clark special agent in charge of northwestern Pennsylvania, succeeding S. H. Miskill. Offices are in the Marine Bank building, Erie.

Mr. Clark has made Philadelphia his headquarters. J. C. Donaldson, special agent who has been in Philadelphia, will represent the company in eastern Pennsylvania. He will assist J. H. Munroe, special agent, and headquarters will be at 141 South Fourth street, Philadelphia.

#### Johns With National Liberty

Herndon Johns, formerly special agent for Gulf, has joined National Liberty

in the Texas field with headquarters at Houston. He will assist State Agent Vance Hoffmaster of Dallas.

#### General Agents Committees Are Announced by English

Committees have been appointed by President L. E. English of the American Association of Insurance General Agents. They are:

Executive—L. B. Daniels, chairman, San Francisco; W. L. Braerton, Denver; B. P. Carter, Richmond, Va.; H. A. Steckler, New Orleans; membership—S. G. Thompson, chairman, Seattle; F. R. Lanagan, Denver; J. M. Bradfield, Jacksonville, Fla.; publicity—H. C. Stebbins, chairman, Denver; P. D. Richards, San Francisco; W. G. Ward, Montgomery, Ala.; conference—W. L. Braerton, chairman, Denver; J. G. Leigh, Little Rock, Ark.; E. C. Fox, San Francisco; general welfare—C. C. McKnight, chairman, Enid, Okla.; S. B. Scruggs, Dallas; J. K. Morrison, Omaha; memorial—C. F. Cushman, Denver; national councilor—J. K. Shepherd, Little Rock. Mr. Stebbins is secretary-treasurer.

#### Kinney Named Superintendent

SAN FRANCISCO, June 23.—H. L. Kinney was appointed superintendent in southern California by L. R. Eby & Co., new San Francisco general agency which succeeded to the general agency business of Henley & Scott last month. The latter firm continues as a brokerage concern. Mr. Kinney has been with the L. & L. & G. since 1919.

#### Brokers Hear About Liquidation

NEW YORK, June 23.—Tips to brokers on liquidation of insurance companies were given by Lester Weil, attorney for the department, at today's meeting of the Insurance Brokers Association of Brooklyn.

#### Expediting of Sessions Is Done for Agents Meeting

The customary Friday morning session at the annual convention of the National Association of Insurance Agents in Dallas the week of Oct. 4, has been abandoned by the officers and executive committee because for several years group activities Tuesday of convention week have pushed up the conventions practically a full day. The reports of resolutions and nominating committees in recent years have not been made to well-attended sessions, due to coming at the end of the week, therefore at Dallas they will be made at the closing session Thursday afternoon. Awards of the "Woodworth memorial" and several cups, and election and induction of new officers also will take place at that session.

#### Convention Theme Chosen

"Knowledge Is Power" has been chosen as the convention theme. The program will be along the lines of education and salesmanship, with few formal speeches. The tentative program calls for the executive committee to meet continuously from Saturday through Monday, holding a joint meeting with the state association presidents Monday, when there also will be held the meeting of state association and local board executive secretaries and managers. It is planned to hold the meeting of national councillors and state officers Tuesday morning, with local board group conferences and probably the meeting of the rural agents committee in the afternoon, and the get-together dinner in the evening.

#### To Hold Group Sessions

All these meetings will be at the Adolphus Hotel. General sessions, opening Wednesday morning, will be in the crystal ballroom of the Baker. Three group sessions on agency management

and operation probably will be held Wednesday afternoon, with general sessions morning and afternoon Thursday.

The theme Thursday morning will be "Insurance Merchandising," in the form of a sales congress. There will be practical sales demonstrations.

Two major subjects this year will be consumer cooperatives and all phases of automobile insurance, including compulsory liability laws, compensation for automobile accidents, safety responsibility laws and improved highway safety activities.

#### Print Committee Reports

To conserve time, reports of standing committees will be published in advance to obviate reading by chairmen. Where action is indicated as necessary, the subject will be presented informally by the chairman.

The report of the limited constitutional revision committee will be presented by J. K. Boyce, Amarillo, Tex., chairman. The committee's recommendation that the executive committee be increased from seven to nine members was made at Pittsburgh last year, but could not be acted upon in the limited time.

The annual ball will be held Thursday evening and the past presidents' dinner preceding the ball.

#### Concession on Minnesota Tax

ST. PAUL, June 23.—Insurance companies have won an important concession from the senate in the income tax bill now before the legislature. The senate committee altered the bill as passed by the house to allow insurance companies an offset up to the amount of the 2 percent premium tax they now pay.

The argument was made that if no offset is allowed, other states would penalize Minnesota companies under retaliatory laws.

The concession may free some companies entirely from paying an income tax in this state.



# NORTH STAR INSURANCE COMPANY

*Reinsurance of Fire and Allied Lines*

90 JOHN STREET, NEW YORK

200 BUSH STREET, SAN FRANCISCO

## State Officials Hold Annual Meet

(CONTINUED FROM PAGE 3)

tire responsibility on the states. Chairman Pink feels that the commissioners' body should cooperate with the federal government without seriously interfering with the plans of the states. He recommended that Congress be asked to pass a law prohibiting the use of the mail to any concern not licensed and supervised in the state of its domicile or state wherein is located its principal office.

Blackall of Connecticut recommended a law similar to that in many states where an out of the state motorist is required to acknowledge the state automobile supervisor as one on whom process can be secured. Yetka of Minnesota would have states adopt a uniform reciprocity bill to which any might subscribe, dealing with the subject. It is a most important matter and one most difficult of solution.

### Three Bills in Congress

There are three bills before congress dealing with unauthorized insurance and the postmaster general has recently issued a warning that he may bar the use of the mails to mutual benefit outfits that are of a fraudulent kidney.

Chairman W. A. Robinson (Ohio) of the blanks committee reported that a special committee had been appointed to revise schedule B which relates to mortgages. The schedule which relates to taxes is left unchanged due to litigation still pending which may affect any revision. Later it will be revamped.

There was a long meeting of the workmen's compensation committee presided over by Mortensen of Wisconsin. At the winter meeting the committee was instructed to review the contract made with the National Council on Compensation Insurance whereby C. W. Hobbs was appointed the commissioners' representative on the council, to ascertain whether it justified continuance or revision. Mr. Mortensen had gone into the subject and then found that the special committee appointed to compile information regarding the functions, powers and duties of insurance organizations of which Hanna of Maryland is chairman was exploring the same field. It was voted, therefore, to go to the convention for definite instruction as to which committee had jurisdiction. In the midst of the discussion, Gough of New Jersey made a vigorous defense of Mr. Hobbs and his work, saying the arrangement was a most important and salutary one.

### Executive Committee's Work

There was much sentiment in favor of the executive committee giving more time to considering association subjects. It was decided to have all committees send their reports to the executive committee for consideration. It will meet for two or three days prior to association gatherings so that there can be more deliberate discussions of recommendations.

The convention in this historic city lamented the absence of its dynamic, versatile president, Ernest Palmer of Illinois, who is recuperating at his home at Springfield, after being confined for a month in a hospital there following an appendix operation. He intends going to some quiet retreat for further rest and it will be some weeks before he can assume his duties at the state house.

### Routine of Meeting

The invocation was said by Rev. W. S. Kerschner, Heidelberg Evangelical & Reformed Church of Philadelphia. Geo. A. Bowles of Virginia, vice-president of the commissioners' body, had charge of the business sessions. Dr. Luther Harr, commissioner of banking, spoke for Governor Earle. Commissioner Hunt of Pennsylvania, host commissioner, brought greetings from the insurance department. This is the first time the commissioners had met in

Philadelphia. Mr. Hunt said the commissioners' organization is legislative. It deals with one subject and opinions differ as to solution of its problems. All should be viewed with intelligence, tolerance and sound sense.

Response to the greetings was made by Commissioner Earle of Oregon.

### Commissioner Bowles Talk

Vice-president Bowles spoke with feeling about the absence of President Palmer. He referred to the stirring events that centered about Independence Square when the nation was in the making. He referred to the fact that the oldest fire insurance company was organized in Philadelphia. Of the five oldest continuous fire companies, still in existence four are domiciled here. Life insurance in its more primitive form started here in the cradle of liberty, he added. The commissioners' organization started in 1871, and Commissioner Bowles declared it had kept abreast with the changing times.

Secretary J. G. Read of Oklahoma on roll call developed the fact that 45 states were represented and three Canadian provinces.

President Palmer sent a telegram of greetings. He stated that more time for committee work is needed and hence he recommended that the executive and other important committees meet in Chicago in the spring, that the annual meeting be held in the fall and an adjourned session in December. O'Malley of Missouri offered a resolution of sympathy for Mr. Palmer and hope for his rapid and permanent recovery, with an expression of appreciation for his splendid work as head of the organization, which was unanimously adopted.

### Farley Is Commended

Commissioner King of South Carolina offered a resolution commending Postmaster General Farley for his action in recommending the denial of use of the mails to unlicensed mutual benefit concerns on account of the fraudulent character of many of them. It was referred to the committee on unauthorized insurance.

The deliberations fell so far behind schedule that Commissioner Mortensen's paper on retrospective workmen's compensation rating was postponed until Tuesday. The convention was taken to Independence Square for an historic fire fighting demonstration by old time apparatus, showing also modern work. There were many committee meetings Monday afternoon.

## TALKS AT BANQUET

Commissioner Hunt of Pennsylvania acted as toastmaster at the banquet Wednesday evening which closed the business of the convention. There were two set speakers, Murphy of Iowa and Pink of New York, the former's talk being made over the radio. Mr. Murphy said in part:

"The holders of insurance policies pay in advance, but they pay with more than usual certainty that the protection for which they pay will be fully received. They have through their payments, through their subscription to the practice of insurance, built up tremendous financial structures which wield an almost incalculable influence upon the economic and social life of America. There is relatively and actually but little dishonesty in the management of insurance companies."

The speaker mentioned the interdependence of insurance, the fact that it is so completely tied up with the success or failure of the economic endeavor of all America. "Let our railroads, our utilities, our industries, our agriculture, our public and private enterprises falter, and insurance suffers—when insur-

ance suffers 130 million citizens suffer," he declared.

"Insurance cannot prosper," he said, "unless Tom, Dick and Harry can buy it. Concentrate in a few hands wealth 10 times as great as America possesses, and insurance would shrink. Place the present wealth in the hands of many millions and insurance will thrive. For insurance to do well, the average American citizens, must do well."

"Last fall we were startled by the assertion of a successful business man of national prominence that no policy of insurance was safe. There was prompt denial and refutation, not only from political circles but from many, if not all of the insurance people of the country. It was an unfortunate statement, to say the least, not to be excused by the fact that it came from a candidate in the heat of a political campaign."

### Worshipped Gold Standard

"We have worshipped the gold standard, and viewed with alarm the devaluation of the dollar. Since the gold profit accruing to the government is held in a stabilization fund, is not its use constructive? It was highly important that this country maintain our currency in balance with other countries, and this impelled and driven by world conditions, it did, and to my mind the insurance world, despite gold clauses in mortgage contracts, should not be alarmed."

"We look with concern upon the use of the taxing power of the federal government to raise money for social welfare purposes. Has there not been a great change in our thinking, and do not most of us now admit that social security in principle is the order of the day, and in practice, has been too long delayed? It is a challenging problem that cannot be ignored, and that the insurance world must help to solve."

### Should Know Basic Problems

"The future welfare of our country and of insurance is bound up in the solution of these important national problems. Insurance company executives and supervisory officials should each acquaint himself with the basic problems that underlie the more technical phases of all insurance, and of all business, including the pursuit of happiness in a country pledged to that privilege. It will not do to ignore them, and to seek refuge in the past, and to pine for the days of rugged individualism."

"The insurance world has met the challenge of depression and disaster. It cannot now lay down its arms. It has only begun to fight! No interest has a greater stake in America. No interest, if I read aright, is more likely to protect that stake, and so doing, protect America and America's people."

### Registration Fee Is Charged

For the first time, a registration was charged. Commissioners, members of their staff and their ladies were not required to pay the fee of \$10 but each camp follower and each lady who registered paid the amount which included a banquet ticket, golf privileges, automobile tour, the ride to Atlantic City, etc. Most did not play golf and very few outside the commissioners went to Atlantic City. A number did not register.

### Mortensen Gives Paper

Commissioner Mortensen of Wisconsin presented his paper on "Retrospective Rating" as applied to workmen's compensation insurance Tuesday morning.

It has had a brief experience in Massachusetts. Time and trial, he thinks, will be the factors that will prove whether it is efficacious.

Commissioner De Celles of Massachusetts discussed the Mortensen paper. He said the experience plan was too inflexible in time of depression. Experience rates, he said, can not keep up with the procession. Retrospective rating, he declared, is an extension of the experience plan and reflects conditions as they are. It gives proper protection to the employee, he asserted, and yet it has

some defects. He contends that the retrospective system is flexible and progressive.

Commissioner Blackall of Connecticut read his paper on "Compulsory Automobile insurance." He believes that some compensatory system following the workmen's compensation plan, perhaps in a modified form will ultimately be adopted. He concluded with the thought that unless reasonable care be exercised compulsory insurance may be adopted.

### Discussion by Sullivan

Commissioner Sullivan of New Hampshire discussed the paper. He came out for compulsory insurance so far as personal liability and property damage are concerned. He also urged a firmer enforcement of traffic regulations. He strongly commended the Massachusetts compulsory act.

Pink of New York, executive committee chairman, gave its report and it was adopted.

Commissioner Mortensen reported for the compensation committee. He commented on the resolution adopted at Hot Springs asking that a review be made of C. W. Hobbs' contract with the National Council on Compensation Insurance as representative of the commissioners on the council and said it had been referred to his committee. He found that the special committee appointed to look into the functions of various insurance organizations was also investigating the Hobbs matter. He asked that the convention decide which committee should handle the matter.

## SPECIAL CEREMONIES

The conventioners went to Congress Hall at one-thirty in the afternoon where special ceremonies were scheduled in the celebration of the 150th anniversary of the constitution—a series of events extending from May 14 to Sept. 17.

Vice-president J. A. Stevenson, Penn Mutual Life, general Philadelphia committee chairman, presided and introduced City Solicitor Sharp who made the address, which was broadcast. The commissioners returned to their hotel where a series of committee meetings was held. They started with a special committee headed by Sullivan of New Hampshire, appointed to prepare a qualification and manual for guidance of states where examination is required prerequisite to issuing agents' licenses.

Other committees meeting were: Examinations, Read, Oklahoma, chairman; unauthorized insurance, Harrison, Arkansas, chairman; interstate liquidation, Carpenter, California, chairman; laws and legislation, Blackall, Connecticut, chairman; fraternal, Smrha, Nebraska, chairman.

### Step in Right Direction

It was the first time the examinations committee held an open session, the company men and press attending. The new zone system of conducting examinations was put in effect following the December meeting. Yetka of Minnesota claimed that in the assignment, some states have been appointed that had very little interest. He said one in which the company's premiums were \$17 the year before, was assigned. A company may have most of its business in its home zone, and yet examiners come from other zones where a company may have but comparatively small income. He said some system should be devised under which the states having the largest volume of business participate. He designated the present system as unreasonable and impractical.

Blackall of Connecticut, chairman of zone 1, declared that the association has taken a step in the right direction and in the short time the work has been done as efficiently as possible. He added that the system can be constantly improved.

Bowen of Ohio, zone 2 chairman, declared that \$25 per diem plus expenses is too much. He thinks efficient examiners should be developed and there should be an adequate real estate ap-



praisal. He pointed out the danger of political examiners. Mr. Bowen stated the system should be retained but the fee should be reduced to \$15. Bienvenue of Louisiana, chief Louisiana examiner, who operates a public accounting bureau, declared that the \$15 fee is too small and for that price efficient examiners cannot be secured. The less fee is likely to be more expensive than the larger one.

Read of Oklahoma held that the amount of the fee should be left to the commissioner that sends the examiner.

O'Malley of Missouri, chairman zone 3, spoke of the conference at New Orleans and said Louisiana agreed to cooperate. He urged full cooperation from all states.

#### Mortensen Not Enthusiastic

Mortensen, chairman zone 4, said he is not enthusiastic about the plan. Some changes are needed. He said there must be more uniformity as to state cooperation, in compensation of examiners and in qualification of examiners.

Ham of Wyoming, zone 5 chairman, asserted that he was satisfied with the system. Mr. Mortensen found several departments did not have examiners that they could send to convention work.

Earle of Oregon, zone 6 chairman, said his states are well pleased with the results.

On motion of Blackall of Connecticut, the chairman of the examinations committee is instructed to confer with a state making complaint and endeavor to straighten out differences.

Gough of New Jersey, originator of the zone plan, upheld it and said the examiners assigned to the Prudential are high grade and competent. Zone chairmen, he said, should assume responsibility and see to it that only competent examiners be sent. The examinations committee voted to continue the zone system but undoubtedly an attempt will be made to bring about improvements.

Julian of Alabama, chairman of the sub-committee, made a full and complete report of the work of the sub-committee and the audit made by Merkle & Martin on unallocated and misallocated premiums, which was adopted.

#### Give Hand to Read

All members of the examinations committee and zone chairmen were greatly appreciative and so expressed themselves, of the work of Read, chairman. The committee recommended that the sub-committee on unallocated and misallocated premiums be continued until such time as its labors may be completed.

The unauthorized insurance committee voted to approve the resolution introduced by King of South Carolina commending Postmaster General Farley in closing the mails to fraudulent mutual benefit cooperative assessment outfits.

The committee on interstate liquidations reported New York, Vermont and Illinois have passed the recommended uniform bill. Some states in their laws have most but not all the salient features of the uniform bill. The committee will give further study to the subject hoping to have the home commissioner not only be made the liquidator but the ancillary receiver.

#### SOCIAL SECURITY

Hunt of Pennsylvania reported for the social security committee. He stated the plan had been maligned from two directly opposing directions. From one it was charged that it would ruin working people because, in old age or unemployment, it would give them something they had never earned. From the other it was alleged that it would take a percentage of their earnings and very likely never give them anything back.

#### Widespread Knowledge

The report said: "It is gratifying, therefore, that such a widespread knowledge of the subject should have grown up in such a short time, especially as there have been few projects so complicated and so far reaching that have got underway in this country with so little

general advertising. It is a tribute to the openmindedness of insurance men that most of them should have so quickly realized that a program undertaking to elevate the level of living of so many millions of our people deserved intelligent support. The efforts on the part of a few propagandists to convince the insurance world that the plan was a temporary experiment that would soon disappear have been easily recognized as nonsensical, for it has been apparent that the program was a genuine effort to meet a deep seated need, and that, whatever modifications might later be necessary in it, there was no question but that it is here to stay and to become a vital part of American life. It is just as foolish and out-of-date to oppose it as it would be to oppose the use of steam or electricity.

"Life insurance men, whose field it particularly touches, have readily come to realize in the first place that the old-age annuity features protect first of all millions of people who had never been able to make provision against old age anyhow. Life insurance would not wish to become identified as an institution fighting to deprive millions of Americans of sustenance in their old age. Besides, life insurance men have been quick to grasp the fact that social security plans in themselves are a tremendous influence in training people to the idea of providing for the future. If a minimum provision is arranged, they can then give thought to planning for additional income that will mean comfort based on the already existing foundation of security.

#### Intelligent Thrift

"Insurance develops less rapidly than it should, not because people are not thrifty, but because they have nothing to be thrifty with. Give them sufficient income and the great majority of them will exercise intelligent thrift.

"All this, of course, applies to the unemployment compensation plans equally with those having to do with old age. By latest count, 45 states had adopted such plans in the effort to conform with the federal act. If they are not already universal, it is evident that within a very short time they will be so.

"Among the features of the plan particularly subjected to criticism has been the one providing for immense reserves for the old age annuities. It may be that the framers of the act, in drafting this section, were misguided in considering the United States in the same light as an insurance company. A company has nothing but its reserves out of which to meet claims but the government has always the taxing power. Taxation is involved in any event, since it would be necessary to find some means of providing the interest on the bonds issued against these reserves. On the other hand, it may be that in course of time this gigantic reserve, if the building up of it is allowed to continue, may provide a fund for immense public works which the national welfare, prosperity and continued producing power may require.

#### Other Suggested Changes

"Other suggested changes are less important from an insurance viewpoint, but whatever developments may take place in the future, the insurance world is wise in recognizing the program as an accomplished fact, the greatest contribution to American life ever made by the principle of insurance. The insurance fraternity does well in realizing that the better off people are, the more field there is for private insurance."

The convention held an evening session. Pink of New York reported for the committee on valuation of securities saying there were but few changes in comparison with last year's conditions. Market quotations for county, state and municipal bonds will be used this year. Eleven states did not contribute toward the expense of the valuations book. The report was adopted.

Pink also made report on the plan to employ a full time executive secretary. Gough of New Jersey called attention to the fact that this plan was recommended by H. P. Dunham of Connecticut.

(CONTINUED ON PAGE 46)



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## EDITORIAL COMMENT

### Getting Away from Defeatist Attitude

IS THERE not too much of the defeatist's attitude seen on part of company organizations and officials in attempting to solve very perplexing problems? We see it most frequently where a class of business has become unprofitable. Instead of tackling the problem with all vigor, disregarding hide-bound precedents and attempting to swing the class into the profit field, there is a tendency to keep on the same old way, using the same old methods and following the same old trails until finally a company, discouraged and disheartened, refuses longer to write the class and seeks other more fruitful fields. In this merry-go-round after a while there will be no other fertile fields. Naturally keen and destructive competition has done much to disturb the orderly processes.

Perhaps there is too great a tendency to side-step responsibility and meet face to face these gripping, distracting and troublesome problems. This certainly was the case with workmen's compensation insurance. There was a way out if it had been charted. There seems to be a lack of old-fashioned courage and determination. Many agents have taken unprofitable risks and through intelligent application and counsel have converted them into desirable risks. It is possible to take a class of business

that is now in the red and change it into the black through logical, sensible, resourceful methods.

We have now the automobile liability situation confronting us. At one time this was considered the most desirable of the casualty lines. It was so attractive that many specialty companies were organized to write automobile insurance. Yet today the organization companies are getting the riff-raff and taking the skimmed milk. Their figures are not alluring. This automobile liability issue should be taken hold of in a masterful, modern, intelligent, vigorous, resolute way. There is a road out of the wilderness. There is, of course, need for leadership but we need most of all men of vision, who take a broad and sweeping view of the whole field, who see its opportunities, who dare to try new things and with resolution and zeal follow a new path if it leads to the promised land.

We are not advocating plunging, unwise and blind following of a trail that leads further into the darkness. These unprofitable classes should be dealt with in a discerning, rational manner. If present methods are antiquated they should be thrown aside and a new course adopted. Anyway, why stay in the red?

### Comprehensive Knowledge of Insurance

ONE is impressed with the comprehensive knowledge of all classes of insurance by English company officials. One reads the annual reports of head offices now being circulated in this country and discovers that the general manager is just as familiar with the casualty and life insurance problems as he is with fire and allied lines. Over here we get the idea that an official must be a specialist and that it is a herculean task to look at the business in a thoroughly compre-

hensive way. The English system whereby one company writes all classes of business naturally calls for management that is acquainted with the various classes. In reading the annual report of these English companies the general manager looks at the insurance business as a whole from the world standpoint. One receives, therefore, a wide outlook on insurance which is highly illuminating and may be deemed as an example of a broad viewpoint.

### Public Library Insurance

THE fire insurance committee of the AMERICAN LIBRARY ASSOCIATION has made a suggestion to librarians and library trustees that seems very wise and practical. The committee realizes that modern libraries do not have all their books in a central building. They are working perhaps with schools and other institutions where collections of books are found. In other words there are a good many books that are "floating."

As one studies the public library situation in the larger cities, he finds that there is need for a real insurance program

that will cover the library property adequately and intelligently. The A. L. A. committee therefore suggests that a sufficient amount of the insurance be allotted to an agency that has a sufficient grasp of the situation so that proper coverage can be given and library property be insured in a modern way. If this agency is given a sufficient volume of the insurance then it can supervise the entire line. Unfortunately in some points insurance on the library is dished out to various offices on the theory that they are taxpayers and are entitled to partic-

ipate. Where the political angle is very sharp, little can be accomplished in the way of a proper insurance program unless a local board, if there be such, takes it upon itself to render a civic service and becomes responsible for the insurance program.

In a number of public institutions the insurance is divided so that no one agent has a sufficient premium volume to warrant him giving the entire program real attention. That is unfortunate for the institution. Therefore, the A. L. A.

committee desires to correct this if possible. If one insurance office is allowed 50 percent of the insurance, for example it can then well afford to be the insurance counselor of the library and see to it that its insurance is properly written. This not only includes fire insurance but other coverages that are just as essential. Libraries that have adopted this system find that it is highly successful and has resulted in many needed reforms and improvements in the insurance program.

## PERSONAL SIDE OF BUSINESS

E. M. Skowrup, son of A. P. Skowrup, Milwaukee, Wisconsin, state agent Great American, was graduated from Dartmouth college. He majored in economics and political science.

Walter Meiss, general agent at the New York head office of the London, has returned from a fishing trip near Winnipeg with about a dozen Minneapolis agents. Mr. Meiss captured all honors in respect to size and number of fish.

F. M. Spratlin, senior member of Spratlin, Harrington & Thomas, Atlanta agency, has been elected president of the National Georgia Tech Alumni Association. He began his insurance career with the old Georgia Casualty, later organizing the firm which he heads.

Fred Greer, staff adjuster Fire Companies Adjustment Bureau, Portland, Ore., announces his marriage to Miss Sallie Louise Roake.

F. C. Hall, 87, Yakima, Wash., the oldest licensed agent in the state, died there. His agency was sold recently to Doran-Philipps Company.

Edwin Parrish, San Francisco, vice-president America Fore group, is recuperating from an attack of pneumonia at the Atla Bates Hospital in Oakland.

E. F. Woods, 73, president Hinckley & Woods, Boston general agents, died. He had been ill about a month. Seven years after entering the business in 1887, he founded the firm of which he was the head. He was active on the Boston Board of Fire Underwriters and was a director of the John Hancock Mutual Life. His son, E. H., and his brother, C. M., survive. They are partners in the firm.

Deputy Commissioner S. H. Beckett, California, this week celebrated his 30th anniversary in the department. He went to San Francisco 50 years ago and joined the department as license bureau head at the time the organization was busy with the San Francisco earthquake disaster losses. He has served under eight commissioners and has assisted in much new legislation.

J. A. Riordan, head of the agency bearing his name in Harrison, N. J., which recently celebrated its 15th anniversary, will start on vacation on June 30 with Mrs. Riordan, to sail on the "Kungsholm." Before returning home he will cover 12,000 miles on a cruise

to Greenland, North Cape, Russia and the Viking Empire. They will study conditions in Moscow and Leningrad, and also will visit Iceland, Norway, Sweden, Estonia, Finland and Denmark. During the trip the Riordans will see 18 ports and stop at Arctic outposts.

T. W. Garrett, head of the Kansas City general agency bearing his name, recently suffered a broken leg in an accident. He was in the hospital only a day while doctors put the leg in a cast, and since has been at the office daily.

Hart Darlington, United States manager Norwich Union, has returned from a European trip. Mrs. Darlington accompanied him.

Clifford Conly, Pacific Coast manager Great American and Phoenix of Hartford group, received many flowers and telegrams on his 40th anniversary with the Great American. He was guest of the Pacific department at a luncheon.

Philip Friesenecker, local agent at Galena, Ill., and Mrs. Friesenecker celebrated their 50th wedding anniversary. He started in the insurance business shortly after he was married. Their son, C. J. Friesenecker, is state agent for the Western States Mutual Auto of Freeport, Ill.

R. L. Emery, Sr., of Emery & Kaufman, New Orleans, is off again for a 54-day cruise of the south seas. This is about the only spot on the globe that he has not visited.

L. C. Thoelecke, Norwich Union, Chicago, is leaving Friday for a trout fishing vacation near Sheridan, Wyo. He will be accompanied by Francis Williams of the C. V. Davis & Co. agency of Sheridan. He will have headquarters in Mr. Davis' cabin. Mr. Williams, a son-in-law of Mr. Davis, and Mr. Thoelecke were formerly associated in the engineering department of the North America.

L. H. Savage, formerly Oklahoma assistant commissioner, was married in Oklahoma City to Miss Phoebe Larimore. He resigned from the department four years ago to practice law, and has been especially active in insurance cases.

Mrs. B. D. Dechert, whose husband is widely known in Virginia fire circles, died in Hartford at the home of her son, B. D. Dechert, Jr., who is with the automobile department of the Century Indemnity. Burial was in Harrisburg,



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Va. Her husband formerly supervised Virginia for the New York Underwriters and later traveled North Carolina for the Royal Exchange.

**Heber J. Grant**, president Utah Home Fire, the Beneficial Life and H. J. Grant & Co. general agency, Salt Lake City, has left for an extended tour of Europe. Mr. Grant is now in his 81st year but is still active.

**B. F. Willis**, treasurer and assistant secretary Utah Home Fire, Salt Lake City, has left on a European trip, accompanied by his wife and daughter. Mr. Willis, who was born in London, expects to call on a number of fire companies and brokers there.

**B. P. Carter, Jr.**, cadet at Virginia Military Institute, will follow in the footsteps of his father, who operates a general agency in Richmond, and enter the insurance business when he graduates two years hence.

**George W. Mercier**, Indiana state agent of the Hanover, underwent a severe operation at St. Vincent's hospital in Indianapolis, Monday, but is reported as having come through in good shape.

**T. O. Nuckles**, special agent farm department Springfield F. & M., and **O. D. Cox**, state agent of the American of Newark in Kansas City, discovered they had birthdays on the same day, so they consolidated, entertaining friends with a buffet supper.

**Richard Gill**, owner of the Wheeler-Gill Agency, San Antonio, Tex., accompanied by Mrs. Gill sailed for Europe on the "Normandy," and after a tour of Europe, including all except the Scandinavian countries, will return on the "Queen Mary."

Reports from Nice, France, indicate that **R. E. Vernor**, manager of the fire prevention department of the Western Actuarial Bureau, has put out another fire. In his career he has happened on to a number of incipient blazes and has always performed efficiently and heroically. He is in Nice attending the International Rotary convention. When fire attacked the decorations in the headquarters hotel, Mr. Vernor went to work in a business like way and soon extinguished the flame.

One of the fashionable events in Cincinnati scheduled for the fall is the marriage of **Roy Thomas Sellery** and Miss Dorothy H. Hills Sept. 30 at Grace Episcopal Church. Mr. Sellery is associated with the Western Adjustment in Cincinnati and is a son of R. A. Sellery, general manager Western Adjustment, Chicago.

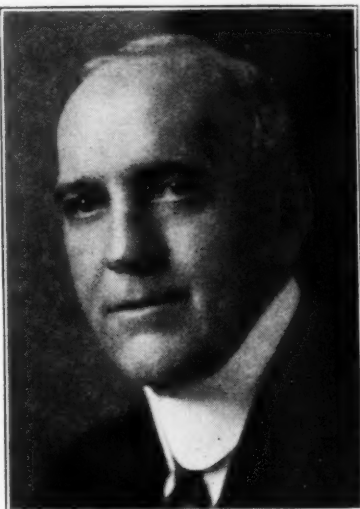
### Aero Underwriters Give Data in Booklet Form

The Aero Insurance Underwriters has published a booklet, "Engineering and Inspection Service," by Jerome Lederer, chief engineer. This is the first work of its kind available, the organization said. Copies can be obtained at the head office, 156 William Street, New York.

The booklet gives detailed advice as to operation and maintenance of aircraft and hangars. It gives advice on a proper insurance program for an aircraft or hangar owner, including explanation of the coverages.

Figures are carried to show reduction of aviation insurance rates since 1929. Other figures show the small percentage of total operating cost that goes to insurance. Excerpts from case histories are printed to point out where inspection revealed defects and errors which would have resulted in disaster. Organization of the Aero Insurance Underwriters is also explained.

### Reinsurance Executive Dies at Rochester, Minn.



FRANKLIN W. FORT

Franklin W. Fort of Newark, vice-president of the Eagle Fire of New Jersey, and U. S. manager of the Baltica, died at Rochester, Minn., in a Mayo hospital where he underwent an operation early in May. He was 57 years old, was a Princeton graduate and coached its debating teams. He was a son of the late J. F. Fort of New Jersey, was a former congressman, was floor manager at the Republican convention at Kansas City, when Hoover was nominated, was secretary of the Republican national committee and ran unsuccessfully as a candidate in the primaries for U. S. Senator against Dwight Morrow. Mrs. Fort, two daughters and two sons survive. Funeral services were held in East Orange, N. J. Wednesday.

The Eagle Fire and Baltica are both fire reinsurance companies. Mr. Fort organized the Eagle Fire in 1912 and served as vice-president, manager and general counsel. He became U. S. manager of the Baltica when it entered this country in 1919.

For several years he headed a group of direct writers—Sussex, Essex and Ajax. He was also interested in the Essex Fidelity & Plate Glass.

### St. Louis Bill Seeks Tax on Trade Papers' Receipts

ST. LOUIS, June 23.—A number of insurance publications here would be adversely affected by a proposed municipal tax of 5 percent on gross advertising receipts, if a bill pending before the board of aldermen is adopted. The bill is expected to raise \$500,000 annually. Papers that would be affected include the "Insurance Review," operated by Ogden Brown, and "Life Insurance Selling" and "The Local Agent."

### Hail Losses in Oklahoma

The hail writing companies are engaged in adjusting losses in Oklahoma following general storms in that state on June 7 and June 15. The losses are numerous and many of the crops were particularly hard hit because the storm struck just at harvesting time. The losses, however, were not severe enough to put Oklahoma in the red for the year. The heaviest losses were in Harmon county. Some of the hail writing companies had avoided accepting any liability at all in that county.

By this time probably all of the hail writing companies have exceeded in premium volume their writings for the entire 1936 season. From now on any business that is written will represent a gain over last year. Business is be-

ing reported from the northwest and Canada in gratifying volume. It seems certain that the 1937 hail premiums will be at least twice as great as they were last year and the volume may run to three times as much.

### Gentry Appeals to High Court

LITTLE ROCK, June 23.—Appeal has been filed in the Arkansas supreme court by former Commissioner Gentry from the recent ruling of Circuit Judge Utley to dismiss his suit attacking legality of an act of the 1937 legislature to accomplish his ouster and permit appointment of M. J. Harrison, incumbent.

In the suit, Mr. Gentry seeks possession of the office and salary from January 19.

He was appointed in March, 1933 for a six-year term. He refused to resign when asked by Governor Bailey and the legislature then passed a bill to reorganize the department so as to accomplish his ouster. Mr. Gentry filed suit on the contention the act was illegal and that he was removed from office without cause or hearing.

**R. D. Moorhead**, Hampton, Ia., local agent, has been named president of the Franklin county safety council.

**J. H. Roberts**, former mutual agent at Augusta, Ga., died there. He was the all-mutual agent in that city.

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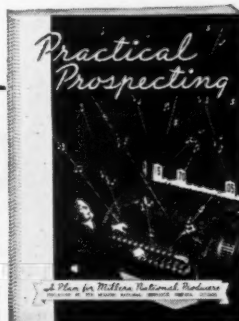
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# The NATIONAL UNDERWRITER

June 24, 1937

CASUALTY AND SURETY SECTION

Page Twenty-three

## Has Yes, No Answer on High-Low Plan

Mortensen Discusses Retrospective Rating Scheme in Addressing Commissioners' Meeting

### GIVES LONG TREATISE

Wisconsin Official Applauds the Project on Some Scores and Condemns It on Others

PHILADELPHIA, June 23.—A yes and no answer to the question of the desirability of the retrospective rating plan for workmen's compensation risks was given by Mortensen of Wisconsin in a lengthy paper presented at the annual meeting of the National Association of Insurance Commissioners here.

Until the scheme has had a fair trial over a reasonable period of time its worth will remain conjectural, he declared. Most of the paper consisted of an explanation of the plan together with more or less familiar apologies of it that are cited by the proponents and the objections that are brought out by the opposition.

#### Gives Small Employer Hand

Mr. Mortensen, being a good La Follette man, made the predictable observation that whether the plan benefits large assured at the expense of the small ones should be given serious consideration. "The small employer," he declared, "should not be sacrificed. We need the small industries. The outlying districts thrive on the small manufacturer, contractor and jobber. In the economics of our business structure, it is as essential to the life of the multitude that the small employer prosper as well as the large. Fully as important that the small industry be relieved of its insurance cost burden as well as the large."

Any plan, he declared, that penalizes the small risks or at most does nothing for them, while at the same time it produces advantages for the large risk is open to just attack.

But after having paid his respects to the small fry, Mr. Mortensen goes on to say that he thinks the plan is all right in that respect. He raises the question whether it would not be better to require all risks that qualify in respect of size of premium to insure under the retrospective plan. In other words, he would do away with the option.

#### Adequacy and Reasonableness

As to whether the plan would produce adequate and reasonable rates, Mr. Mortensen declared: "For me to pass on adequacy and reasonableness of rates under the plan from the bland statements made by both sides on this point or from my own analysis would be presumptuous. Especially is this true when there is no evidence of applied experience available."

(CONTINUED ON PAGE 32)

## Sullivan, Blackall View Motor Accident Problem

Connecticut Commissioner Takes Attitude of Inquiry—Change Inevitable

PHILADELPHIA, June 23.—Blackall of Connecticut in addressing the annual meeting of the National Association of Insurance Commissioners here on "Compulsory Insurance or What?" did not have a definite answer, as did Sullivan of New Hampshire who spoke on the same subject. He expressed the belief that unless motorists exercise reasonable care compulsory insurance is inevitable.

If the gravity of the automobile accident situation is realized by motorists, perhaps the present method of insurance will continue. The motorist thinks of the thing too much in the terms of the other fellow, according to Mr. Blackall. He may hear of an accident but yet he will always think of accidents as occurring to the other fellow and not himself. "We pass a red light because the road is clear and fail to realize that the fellow in the back of us might be guided by our example to do the same thing and find that his road isn't so clear," Mr. Blackall stated. "We take a stirrup-cup in bidding our host goodnight, not realizing that we are drinking a toast to the margin between safety and injury. An obscure incident will warn us that our brakes need attention but we decide we will handle that tomorrow. The sum total of these inadvertences is the sum total of our problem."

#### Eliminating Fault Element

The problem of compensating accident victims is primarily one in the pleasure car field since most trucks and buses are insured. Financial responsibility laws, he said, can be characterized now as the prevailing method of protection.

The idea of compensating automobile accident victims as workers are compensated under the workmen's compensation laws is being pondered today.

There is a trend to look upon the motor vehicle commissioner as the man who ultimately may decide the problem, Mr. Blackall stated. This implies that the solution is not one of compulsion, merely, but of education and law enforcement affecting the driver.

He cited certain objections to the compulsory law, financial responsibility act and to compensation regardless of fault. As to the idea of compensation without fault, he said one objection is that the theory of liability for fault is so firmly imbedded that this solution is too much of a jump. The workmen's compensation laws avoided the unconstitutional argument by giving the employee a choice of selection. It would not be possible, according to Mr. Blackall, to give such a choice in the realm of automobile accidents. Thirdly, the economic value of a life differs so that it would be almost impossible to arrange for schedule of payments.

He expressed the belief that the trend

(CONTINUED ON PAGE 32)

New Hampshire Official Contends Compulsory Insurance Must Come

PHILADELPHIA, June 23.—Commissioner Sullivan of New Hampshire, in his address before the annual meeting of the National Association of Insurance Commissioners here, came out unequivocally in favor of some form of compulsory automobile liability insurance. He said he has lost confidence in financial responsibility laws. He recommended that the insurance commissioners in collaboration with casualty company executives develop the basis for a compulsory law and then work in behalf of uniform legislation.

#### Favors Dual Arrangement

Commissioner Sullivan recommended a dual arrangement,—the requirement that each vehicle owner procure automobile liability insurance, but without the omnibus clause, and the requirement that each licensed driver procure an operator's policy running to him regardless of what car he is driving.

Automobile accidents, he characterized as a "vexing human problem." It must be solved, he contended. It cannot be left to "a group of paid lobbyists of insurance companies," he asserted. He referred to the transition in conception of third party auto insurance from a contract primarily for the protection of the motorist to a social welfare proposition.

It must be the aim of all insurers to insure all motor vehicles, he said. He predicted that in the very near future some kind of legislation will be enacted nation-wide seeking to protect travelers on the highways. The public wants a remedy of some sort for the menace of uncompensated physical injuries and property damage.

#### Enforcement Is Not Answer

Insurance men should offer their advice and "take a right stand," he said. By making themselves a factor in framing legislation insurance people can eliminate detrimental features, he contended.

More strict enforcement of motor vehicle laws is a help but not the answer, he said. Despite the many crusades that are now being conducted, there is an increase in accidents. Some action is going to be taken eventually, he predicted.

Financial responsibility laws, he argued, have not protected society nor attained any prominence by making the highways more safe.

Criticism of the Massachusetts compulsory insurance law has become "hackneyed," he declared and in certain aspects is demagogic.

Despite all criticism the law provides nearly 100 percent indemnification for victims of automobile accidents in Massachusetts. In no state having a

(CONTINUED ON PAGE 32)

## National Council Apology 233 Pages

C. W. Hobbs Is Author of Volume Distributed at Commissioners Convention

### SOLID SUMMER READING

Published in Response to Demand of State Officials for Information Regarding Compensation Rate Body

PHILADELPHIA, June 23.—At the last convention of the National Association of Insurance Commissioners a formal request was made for information regarding the National Council on Compensation Insurance, its relation to the commissioners association and the function of the special representative of the commissioners convention to the council.

At the commissioners annual meeting in Philadelphia this week, there was distributed a 233-page book, "The National Council on Compensation Insurance," by Clarence W. Hobbs. This will provide some solid summer reading for the inquisitive commissioners. Mr. Hobbs is the special representative of the commissioners convention on the National Council.

#### Scholarly Work

It is a scholarly work, readable in parts when Mr. Hobbs presents some general observations and makes historical references. It is heavy going except for actuaries when Mr. Hobbs presents various rating formulae and gets into mathematical and actuarial details.

The chapter "The Present Status of the National Council," referred to the problem created by the fact that the council is an organization of both stock and mutual companies. He deals rather sharply with the attitude of the mutual companies. When the council was formed, he said, the prospect was envisioned that the council might extend its operations to other casualty lines.

"But the split between stock and non-stock carriers on matters of rating policy have blocked that, certainly for the present, possibly for all time," Mr. Hobbs states. "This split has done more. It has raised a certain doubt as to the merits of the non-partisan system of rate making and rate administration. It has repeatedly made the long continuance of the National Council appear highly dubious."

#### Equal Advantage Needed

The continuance of the association of the two classes of carriers, he declared, must be involved in doubt so long as its rating methods do not yield an equal advantage to both sides.

Of the two factions, one has fared materially better than the other, he said, and has given the other no help in the solution of its problems. The other faction, he declared, has not always moved

(CONTINUED ON PAGE 33)

## J. Dillard Hall Talks About How to Sell Fidelity Bonds

J. Dillard Hall, assistant agency director of the United States Fidelity & Guaranty, was in charge of the forum on the sale of fidelity bonds at the Kentucky local agents meeting. He said it is rather difficult to get the exact amount of the annual loss caused by dishonesty, because so many are not given any publicity. H. H. Heimann, executive manager of the National Association of Credit Men, opines that losses through dishonesty far exceed those by fire. The fire loss last year was \$293,357,245. Total losses paid by all surety companies last year through dishonesty were about \$20,000,000. Using the annual fire loss as a basis for the dishonesty loss, Mr. Hall said it is readily noted that barely 10 percent of the fidelity losses was covered by bonds.

### Chief Causes for Dishonesty

He gave the chief causes for dishonesty among men, 17.6 percent being gambling and drink, 16.7 living above their means, 16.2 accumulation of debts, 13.8 bad business management, 10.6 women, 8.7 speculation, 5.9 sickness in family, 4.2 criminal characters, etc.

Taking a survey of women and the causes of their dishonesty, 30.2 percent were living above their means, 28.8 accumulation of debts, 10.6 dependents, 7.9 mentally irresponsible, 5.3 gambling, 5.3 men, 5.3 sickness in family, etc.

Mr. Hall gave a composite portrait of a typical defaulter, going over the record for many years and drawing on a wide experience.

There are seven different things that Mr. Hall feels a fidelity bond accomplishes. In the first place, it exposes undesirable employees. This is the outstanding function of a fidelity bond and he uses it first of all in soliciting business. It is always valuable, he declared, for a business concern to have the information that a surety company can get regarding an employee. Next, it prevents dishonesty. The surety companies, he

characterized as "mounted police." They keep watch and the surety is the restraining hand. In the third place, it reimburses for loss suffered. Next it sustains credit with banks. Bankers, he said, during the last few months are beginning to realize that where a going concern is not protected by fidelity bonds, the financial statement can change overnight. Next it protects capital invested and it prevents waste by preventing loss or replacing money or goods stolen and finally it builds confidence.

### Tells About the Manual

Mr. Hall said that some agents claim that the fidelity manual is complicated. He thinks this is not true because it will be noted that 25 percent of all business is under the classified section. All classified risks take separate rates but since 75 percent of all the business is in the unclassified section, which carries one rate, by memorizing the general fidelity rates, an agent will have at his disposal 75 percent of all business concerns. The application, he said, is simple. So far as his own company is concerned he said the U. S. F. & G. has revised its bond form, cutting out superfluous language, fine print, etc. It is easily understood.

### Why Agents Should Be Interested

He gave six reasons why an agent should be interested in selling fidelity bonds.

1. The least developed of all casualty and surety lines.
2. Free with few exceptions from objectionable competition such as cut rates, etc.
3. It pays larger revenue to producers in the way of commissions.
4. The clientele is of the highest type.
5. Every employer is a prospect.
6. A salesman's best line and the best entree to other lines of business.

Dishonesty losses, he said, are alarming the federal government and starting Jan. 1 a year ago the federal bureau of investigation is requiring police and other officers to report all known losses of dishonesty or embezzlement. Mr. Hall quoted extracts from a letter he had received from J. Edgar Hoover, director of the bureau, saying that embezzlers are residents of the community and present a problem that must be solved by the law abiding citizens of that community.

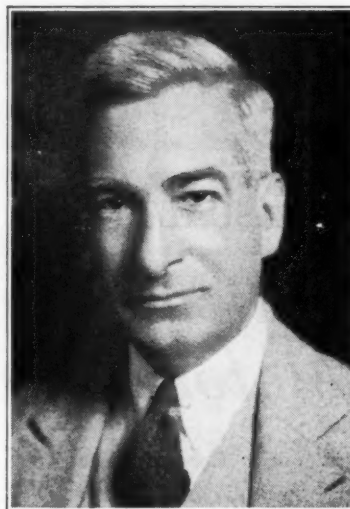
### Allow Recovery from Estate

MADISON, WIS., June 23.—The Wisconsin statute relating to recovery for death from the estate of a wrongdoer who predeceases the death of a person injured, has been amended by the legislature. This act is of importance in actions arising out of automobile accidents, where often both the person responsible for the accident and the person injured receive fatal injuries. Under the amendment actions for wrongful death shall survive the death of the wrongdoer, "whether or not the death of the wrongdoer occurred before or after the death of the injured person." A new section is added defining recovery from the estate of a wrongdoer.

### Casualty Adjusters Outing

The Casualty Adjusters Association of Chicago held its annual outing at Tam O' Shanter golf club north of the city. Attendance was 185. The all day affair was informal, D. W. Elliott, the president, Bankers Indemnity, presiding at the dinner. Prizes were awarded by drawing. With this outing the club adjourned until the first fall meeting in September.

## Now Secretary



SAMUEL E. THOMPSON

Samuel E. Thompson, formerly an executive assistant, has been elected secretary of the General Reinsurance, the casualty company.

## Defer Final Action on Group

Commissioners Decide Uniform Law Covering Group A. & H. Should Be Subjected to More Study

PHILADELPHIA, June 23.—At the meeting of the accident and health committee of the National Association of Insurance Commissioners, presided over by Bowen of Ohio, it was discovered that no state has any laws pertaining to group accident and health. Chairman Bowen had drawn up a tentative bill covering the subject. Deputy Cullen of New York contended there should be very carefully considered definitions of both accident and health insurance, and there should be well bounded classes that are entitled to such indemnity. There must be set forth logical and satisfactory policy provisions. It was deemed wise to explore the subject further before the committee made definite recommendations.

## Many Suits from Atlanta Fire

ATLANTA, June 23.—Damage suits growing out of the Cable Piano Company fire here Nov. 19, in which three people lost their lives and others were injured, continue to be filed, the total amount of claims now aggregating \$175,000.

The last suit was filed by Mrs. Lula V. Evans, asking \$50,000 for the loss of her son, Terry Evans, 23. Another suit for \$25,000 was brought by Miss Louise Higgins, for injuries received in jumping 25 feet from a fifth floor studio to the roof of another adjoining building. Two suits totaling \$100,000 had already been filed by relatives of Miss Elizabeth Martin and Mrs. J. Porter Smith, who died in the fire.

Defendants in the suits are the Cable Piano Company, Atlanta Conservatory of Music and the heirs of Dr. Abner Calhoun.

## Bars Racial Discrimination

MADISON, WIS., June 23.—The Wisconsin assembly has passed the civil rights bill, which provides drastic penalties for anyone discriminating against persons for reason of race, color or creed. The bill prohibits discrimination by life or casualty companies between white and colored persons, either as to premiums, type of insurance or in any other way.

## Staff Doctors Less Costly Than Others, Survey Shows

COMMISSIONERS GET REPORT

National Council, in Response to Request from State Officials, Presents Voluminous Statistical Exhibits

PHILADELPHIA, June 23.—The workmen's compensation committee of the National Association of Insurance Commissioners reported to the organization at its annual meeting here as follows, Mortensen of Wisconsin being chairman:

"By resolution adopted at the St. Petersburg convention, the National Council on Compensation Insurance was urged to draft appropriate statistical calls which should disclose any excessive average and unit costs of medical treatment and to report thereon to the compensation committee of the convention. A report has been submitted to the committee on workmen's compensation insurance, accompanied by voluminous statistical exhibits. These exhibits include:

"1. A tabulation of medical costs in non-compensable cases which constitute approximately one-third of total medical costs. These figures cover approximately 1 million cases and are sub-divided by states, developing the difference in costs as between cases where staff doctors are employed and cases where non-staff doctors are employed. This tabulation indicates the latter cases as 17.8 percent more expensive than the former.

"2. A tabulation of medical and compensation costs in minor compensation cases, viz., lacerations, punctures and contusions. Cases with over 40 days temporary disability or any permanent disability are excluded. This tabulation comprehends 86,000 cases and is sub-divided as in the former exhibit. Medical costs in cases where non-staff doctors are employed is by this tabulation 14.4 percent in excess of costs in cases where staff doctors are employed. Duration of disability in time is in case of non-staff doctors 3 percent in excess of cases where staff doctors are employed. Compensation cost in the former class of cases is 10.4 percent in excess of the latter class of cases.

"3. A tabulation showing costs and duration in cases of numerous specific injuries without separation as between staff and non-staff doctors.

"The matter which at the time chiefly concerned the convention was apparently the matter of saving in costs by the employment of qualified physicians. The first two exhibits appear ample for this purpose."

## Lumbermen's Casualty School

Plans for training group of over 50 college graduates for positions in the Lumbermen's Mutual Casualty fleet have been announced. The study will involve establishment of the "Mutual Insurance School" at the home office in Chicago and branch offices in Philadelphia and Boston. F. G. Dickinson, assistant professor of economics at the University of Illinois, has been engaged as director. Opening will be July 6.

After instruction hours in the morning, the students will work the rest of the day in the departments to which they have been assigned, thus gaining actual insurance experience with their study of theory.

## Auto Makers Promote Safety

NEW YORK, June 23.—The Automobile Safety Foundation of New York has been chartered in New York to promote highway safety the country over. Directors are executives of automobile manufacturing enterprises, who have expressed willingness to spend \$500,000 this year in promoting the work.

## Two of American Surety Officers Taken by Death

R. R. Brown, 68, former president American Surety and vice chairman of the board, died at his home in Englewood, N. J. He had been ill for some time.

He joined the American Surety in 1896 as secretary to the president. He became superintendent of agencies in 1904 and vice-president the same year. He was first vice-president from 1914 to 1926 and then became president of the American Surety and its Canadian and Mexican subsidiaries. He resigned five years ago due to poor health. He was important in building up agency organization. In 1931 and 1932 he was chairman of the casualty and surety division of the Emergency Employment Committee of New York. He was a director of the New York Casualty and an honorary fellow of the Insurance Institute of America.

### Death of B. J. McGinn

B. J. McGinn, 54, vice-president American Surety and New York Casualty, died at his home in Jamaica, L. I., after a brief illness. He had been with the company for 39 years.

Mr. McGinn started as an office boy in the accounting department and 10 years later went into claim work. He became manager of the claim department in 1918 and vice-president in 1928. He was sent to Mexico City 27 years ago to assist in installation of the American Surety accounting system in the office of a Mexican subsidiary, Cia. Mexicana de Garantias, S. A. He was a frequent speaker on fidelity claims.



## Reverses Self on Illinois Decision as to Reciprocal

### STATE HIGH COURT SHIFTS

#### Now Holds Blanket Summons Will Not Reach Subscribers of De- funct Exchange

On the ground that summons was not legally issued, the supreme court of Illinois has reversed the judgments against individual policyholders of the defunct Inter-Insurance Exchange of the Illinois Automobile Club. The decision involves three suits against subscribers to the exchange, with the Ohio Millers Mutual, Lumbermen's Mutual Casualty and American Motorists as the respective plaintiffs.

Recently, in a much publicized decision, the appellate court held the subscribers liable for \$15,765 to Ohio Millers Mutual and \$1,911 each to Lumbermen's Mutual Casualty and American Motorists. In the Ohio Millers Mutual case, liability of individual subscribers was limited to \$30 each. There was no individual limit in the other cases.

The reversal by the supreme court does not upset the doctrine of individual liability of subscribers, but it establishes that a blanket summons, at least in Illinois, will not reach the individual policyholders.

#### Procedure of Summons

The summons in the Ohio Millers Mutual case was issued against the attorney-in-fact, with the names of about 3,000 subscribers attached. The declaration recited the power of attorney signed by each subscriber, which, among other things, empowered the attorney-in-fact to accept service and enter appearance for the subscriber in suits at law and in equity. The power of attorney also authorized the attorney-in-fact to appoint the director of trade and commerce of Illinois (now the director of insurance) as agent to accept service of process for the subscriber.

Process was first served on the attorney-in-fact and subsequent notices were sent to Director Ernest Palmer. The same conditions prevailed in the other two cases, except that the original service was on Mr. Palmer. In each case, the appellate court held that the subscribers had been legally served and that the judgments were binding against them.

#### Process Faulty

In reversing the cases, Justice Shaw ruled that process must be actually issued against the individual subscribers before they can be held liable. He expressly refrained from commenting on the validity of service on the attorney-in-fact or the director of insurance, holding that the process issued against the attorney-in-fact and simply naming the subscribers was void and no summons as regards the individual subscribers. "There is nothing," his opinion reads, "in the power of attorney or in the reciprocal inter-insurance act, which waives the issuance of process and it follows that unless process was actually issued, there is no point in discussing any question as to the matter of service."

The opinion concludes with the statement, "As to these appellants and the other individual defendants, there never was any suit lawfully commenced."

In the Lumbermen's Mutual Casualty and the American Motorists cases, the situation was further complicated by the fact that the process did not have the seal of the clerk of the court. In the Ohio Millers Mutual case, however, the process was properly signed and sealed, so the case is a clear-cut test of the validity of the blanket summons.

While it is always dangerous to draw general conclusions from a decision, it appears from the ruling in these cases that a separate process may be needed

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## Get New Clientele by Methodic Sale of Low Cost Form!

Systematic selling of some low cost form of policy as a means of developing new accounts was recommended by Claude T. Spaulding, field supervisor Aetna Casualty, in addressing the annual meeting of the Georgia Association of Insurance Agents.

He observed that the agents need contact with a large number of clients.

Mr. Spaulding told of an agent in a town of 12,000 that one day realized he should have a much larger number of policyholders. For a month he specialized on residence liability insurance, sending 400 letters and making personal follow ups. Although he sold more than 100 such policies, the commission from these sales was not uppermost in his mind. What he wanted was new contacts from which he might develop a number of worth while accounts. Mr. Spaulding said agents should give more attention to developing new customers and then developing them into worth while clients through an analysis of their entire insurance needs.

#### Gets 400 Clients in Three Years

Another agent in a town of 9,000 started in the business three years ago and undertook to secure just as many customers as possible through the sale of low cost contracts. Since then he has obtained about 400 clients. Now he has started on an account development plan.

Another agent got off to a good start by working out a definite solicitation plan in behalf of the combination residence policy. He analyzed his market, picked the right policy for the local conditions, outlined a definite sales plan and then followed it. He has knowledge, confidence, enthusiasm and really works. He sees people every day.

The salesman who gets the most interviews gets the most business, he observed. A systematic solicitation program should be religiously followed day in and day out. Before leaving the office at night the agent should outline his next day's work so that by the time he has disposed of his mail the next morning he will know exactly where he is going and what he is going to say when he gets there.

#### Harwood Goes to Chicago

S. R. Harwood has been transferred by the Standard Accident from the home office liability claim department to the claim department in the Chicago branch office as assistant to Claims Manager R. J. Lavery, with the title of office manager, claim department. Mr. Harwood is an attorney with some 15 years of claims experience, four with the Standard Accident. Mr. Lavery has been in the work 37 years.

#### Casualty Managers Outing

The Casualty Managers Club of Chicago will hold its first outing at Olympia Fields country club July 20. This will be all day, including lunch, dinner and awarding of golf prizes. E. I. Fiery, Royal-Eagle Indemnity, is chairman of the arrangements committee, with N. O. Hoag, Continental Casualty and James White, Travelers.

#### Defer Commonwealth Hearing

BOSTON, June 23.—Owing to the inability of Frank Cohen, New York financier and backer of the now defunct Commonwealth Mutual Liability of Boston, to come to Boston Monday, the hearing before the recess legislative commission was postponed.

#### Emily Coates Heads Library Unit

Emily C. Coates of the Travelers was elected chairman of the Special Library Association at the annual conference in New York.

## O. D. Issues in 4 States Receive Close Attention

NEW YORK, June 23.—Casualty company executives continue to give close attention to the occupational disease problems in Illinois, Indiana, Michigan and Pennsylvania.

The companies were shocked to learn the decision of the Indiana authorities under which a sharp reduction in the regular compensation rates becomes effective July 1. The overall reduction amounts to 15 percent. This is the largest reduction in rates that has been made in any state recently and the companies are greatly disturbed that such a reduction should be made in Indiana just at this time when there is an acute occupational disease problem there due to the uncertainties following passage of the law making occupational diseases compensable.

#### Assignment Problem

Although the stock companies are testing in court the ruling of the Indiana attorney-general that the 1935 workmen's compensation law requiring compulsory assignment of rejected risks applies to occupational diseases as well, the companies have proceeded to set up a voluntary plan for handling O. D. assigned risks. Whether this voluntary plan will be a success depends on whether 100 percent of the companies will participate. Apparently that can't be determined until there is a test.

The action of the stock companies in testing the attorney-general's ruling does not indicate a lack of willingness on their part to participate in some plan for handling the problem, but they believe that the attorney-general reached a forced conclusion and they desire that any plan that is set up shall have the promise of being a permanent one.

On July 12 the federal court for the southern district of Indiana will hear argument on the stock company suit. The attorney-general and the Indianapolis law firm of Slaymaker, Merrill & Locke representing the carriers will agree upon a statement of facts for submission to the court. The contention of the state is that the measure is an addition to the compensation law while the claim of the casualty companies is that the statute is separate and distinct.

#### Illinois Bill Signed

Governor Horner of Illinois has now signed the bill providing for compulsory assignment of rejected occupational disease and workmen's compensation risks. The act becomes effective July 1 and the companies and industrial commission are now busy preparing the machinery for compliance.

The law provides for the setting up of two pools to share the liability, one composed of stock companies and the other of non-stock. Any company writing compensation business in the state must belong to one or the other.

The law contemplates that the losses paid by each company shall be in the proportion that that company's compensation writings in the state bear to the total. As a matter of fact, risks that have heretofore been insured in a mutual company will probably go to the non-stock pool and risks that were previously insured by stock companies will go to the stock pool. Those that have previously been self insured will have to be parceled out on some equitable basis by the industrial commission.

#### Meetings in New York

The Association of Casualty & Surety Executives has been holding meetings in New York for the last two weeks to complete the frame work for the stock company pool in Illinois. The mutual companies have likewise been busy to this end and it is likely that by July 1 both syndicates will be ready to function.

The proposed method of handling pooled business in Illinois will be sub-

mitted the industrial commission of that state within the next day or two. When the views of that body are learned the result will be communicated to all companies.

A meeting of the regional committee of the National Council on Compensation Insurance is to be held next Tuesday and they will give consideration to the problem in Michigan where an occupational disease law has been passed. That law becomes effective 30 days after adjournment of the legislature. Some observers say that the Michigan law is a bad muddle and it will be difficult to make the rates in that state. Many features of the act, they state, will remain uncertain until final court decisions have been rendered.

#### Pennsylvania Situation

The Pennsylvania situation is of less immediate importance. The bill has been passed but has not yet been signed by the governor. If it is signed, it does not become effective until Jan. 1. It contains a provision whereunder the state agrees to participate in the cost of silicosis claims during the first four years after the act becomes effective. However, observers believe that this provision will be of little practical benefit. The payments on the part of the state are to come from the second injury reserve account of the state fund which is created by the payments made on no dependency fatal cases. This is augmented by an appropriation, but the money that is advanced must be repaid. In the end, insurance people believe, the entire cost will have to be borne by the employers and insurance companies.

#### Puzzled by the Delay

Casualty people are speculating as to the reason for the delay of Governor Earle of Pennsylvania in taking action on the disease bill. When the measure was first offered in its drastic form the governor is reported to have insisted upon its passage without the changing of an "i" or the crossing of a "t." In conference, however, the legislative committee modified many of the provisions, a fact that may or may not have a bearing on the reluctance of Governor Earle to affix his signature.

#### Commercial Federation Rally

BOSTON, June 23.—The annual meeting and outing of the 10 commercial men's insurance organizations, the International Federation of Commercial Travelers Insurance Organizations, will be held at the Hotel Wentworth, New-castle, N. H., July 6-7. Secretary-Treasurer J. S. Whittemore of Boston has arranged a full program for the two days, devoid of formality and set papers. Lacey R. Blackman of New Haven, Conn., is president of the federation and will be in charge of the convention. It is expected that Vice-president R. E. Pratt of Omaha will be elevated to the presidency at the meeting.

#### Cobb & Stebbins Elected

DENVER, June 23.—Cobb and Stebbins, Denver general agents, were elected to membership in the Mountain States Casualty & Surety Association at a meeting in Denver. Cobb & Stebbins are general agents for the General Accident. They will operate on a conference basis with the association.

#### State Auto Mutual Kentucky Rally

A meeting of Kentucky representatives of the State Automobile Mutual of Columbus, O., was held in Louisville with 75 attending. Speakers were G. L. Schnell, sales manager; B. B. Bridge, chief counsel; H. F. Green, assistant manager, and John Mager, vice-president. R. M. Guthrie, representing the Kentucky agents, presided.

## Closer Selection Being Exercised in Auto P. L.

NEW YORK, June 23.—The number of automobile liability applications which reveal a history of several previous turn-downs indicates the increasing extent to which companies are employing selective underwriting in an effort to cut down the high loss ratio that has been prevalent in this field. Figures compiled by the New York department also point to a tighter underwriting policy last year as compared with the year before although improvements in the claim end must be given part of the credit in some cases.

Stock casualty companies reporting to the New York department had an aggregate underwriting gain on auto liability of 2 percent for the calendar year 1936 as against a loss of 6.7 percent for 1935. Quite a few companies switched from red to black ink in writing their 1936 underwriting gain or loss figures. Of the 55 companies reporting upon 1936 business, only 28 had an underwriting loss as against 40 for 1935.

### Scrutinize "Other Drivers"

Much attention is being given to what the inspection companies report, particularly on the type of person driving the car in addition to the registered owner. The president of the First National Bank may be an impeccable driver but it may also be that the bulk of the family's driving is done by a hare-brained son

in high school or college whom no underwriter in his right mind would care to insure.

Inspectors are particularly on the lookout for drunken drivers. Almost as undesirable is the drinking driver. At times he may be even more dangerous than the man who is drunk and knows it and either desists from driving or else operates his car with extreme caution. The drinking driver, on the other hand, feels more capable than normal whereas he actually is far less alert. Physical impairments must be looked for by inspectors. A man with one eye or one leg may be just as good a driver as he would be if he were not handicapped but companies know that juries are more likely to attribute to him a larger share of the responsibility for an accident than they would if he were entirely normal.

### Territory Chiselers Watched

An item which inspectors must watch, particularly in the New York City area, is the locality where the car is garaged and principally operated. The New York City liability rate is so vastly higher than the surrounding territories that many motorists register their cars from fictitious addresses over the line.

The most effective way to select automobile business on a favorable basis appears to be to underwrite the agent and rely on him to bring in the right type of business. The Travelers and the Aetna Life group, for example, have done this for some time and their experience seems to justify the plan. The Travelers had an underwriting gain of \$1,957,927 last year on automobile liability and a gain of \$1,109,985 for the calendar year 1935. The Aetna Life companies' underwriting gain was \$768,573 for 1936 and \$447,695 for 1935.

More and more are companies giving consideration to the agent's record, whether he is a commission-grabber who does not care whether he makes money or loses it for his company or whether he shows a real interest in writing the type of business which will produce a favorable loss record. What the right kind of agent-underwriter can do is best shown in cities of medium size and smaller. Here the agent knows personally all about those whom he insures. Two agents in a city of 20,000 may each turn in the same amount of automobile liability business but year after year one of them will show a consistent profit for his companies while the other will cause them constant losses. In some cases a company could very well afford to pay an agent to take his business elsewhere.

Such a hardboiled attitude is not an easy one to take for it means sacrificing a good sized volume of automobile business and in addition usually the other business of agents whose automobile production is not welcomed. However,

the low return available on investments makes it necessary for companies to earn an underwriting profit and increased degree of selection seems to be the only way to do it.

### Can't Invoke P. L. Policy

Assured Unable to Collect from Insurer for Mistake by Clerk in Sale of a Lotion

The Alabama supreme court has turned aside the effort of a concern to have its public liability policy construed to cover damages collected by a customer who was sold a preparation to be used for the purpose of simulating sun tan instead of a preparation to prevent sun burn. The case was Loveman, et al, vs. New Amsterdam Casualty. The customer was severely burned as a result of using the product that was sold to her. There was nothing inherently injurious in either preparation, if used as directed. The supreme court held that a mistake was made by the clerk on the premises of assured, as described in the schedule of statements, but the court cannot subscribe to the further proposition that the accident, the happening of the event which produced the injuries, must be regarded, in law, as having occurred on the insured premises, when as a matter of fact the occurrence actually took place some 40 miles away. The policy does not cover accidents "caused directly or indirectly by the possession, consumption, handling or use, elsewhere than upon the premises described in the schedule of statements, of any goods, articles or product manufactured," etc. The preparation was not used upon the insured premises nor did the accident occur on the premises.

### Not Liable for Interest

The Century Indemnity has secured a reversal of the California case in which it was held liable for interest on the entire amount of a judgment during appeal, although the policy limits were only half the amount of the judgment. The case was Sampson vs Century Indemnity. The policy limit was \$10,000, but the insured suffered a judgment of \$20,000. When the appeal on the \$20,000 judgment was lost, the Century paid \$10,000, plus the costs in the case, and \$1,874.55 interest on its share of the judgment. Suit was then brought against the Century for the interest on the remaining part of the judgment. The policy provided that the company should pay "all interest accruing" during a certain specified time. The trial court sustained the Century's demurrer to the demand for additional interest, but the district court of appeal reversed the trial court and held the company liable for the balance of the interest. The company took the case to the California supreme court where the appellate court is reversed and the trial court sustained.

### Connecticut Limit Raised

The limit of liability for accidental death in Connecticut has been raised to \$15,000, effective July 1. The old limit was \$10,000, common in many states.

Seventeen local agencies in Hartford took advantage of this change in the law by featuring a large joint advertisement in the "Daily Times," advising assured to increase their liability limits and reminding them that judgments for non-fatal injuries may be and often are in excess of the limit for death.

E. I. Fiery, Chicago manager Royal Indemnity and Eagle Indemnity, will leave Friday for Smithsburg, Md., to be with his father, Oliver P., a commission man, who is seriously ill with heart disease and dropsy. The father is about 85 and is not expected to recover. Mr. Fiery's mother, who is 81, this winter survived a pneumonia attack. In August the couple had planned to celebrate their 60th wedding anniversary.

## Illinois Code Sections on Lloyds Operations Viewed

### INTERPRETATION IMPORTANT

Attorney-in-fact Lord, Kadyk, Go to London to Seek Renewal of Illinois License

In determining what its future course shall be in Illinois, London Lloyds is concerned principally with two provisions in the new Illinois insurance code. One provision is that the limit of liability that may be assumed on any one risk is 10 percent of the deposits in this country.

The other provision is not stated in so many words but is to be found, by construction, in Section 111 Article 6, governing "foreign or alien companies." There is final provision in subsection d of section 111, referring to "alien Lloyds." That would seem to make Lloyds subject to the conditions governing alien companies.

### Interpretation of Section

Subsection 2 of section 111 states, "In determining whether an alien company complies with the provisions of subsection (1) of this section, the director shall consider only business transacted in the United States, only the assets described in section 138 and only liabilities in connection with its United States business." There is a possibility that these cross references may be taken to mean that if Lloyds decides to qualify in Illinois under the new code that its entire United States business must be subjected to control in Illinois. If that construction is made, it seems hardly conceivable that Lloyds would consent to qualify.

### Lord, Kadyk Go to London

An effort will be made in London within a few days to explain the new Illinois code to London Lloyds underwriters and reconcile them to meeting license requirements and continuing on an authorized basis. John S. Lord, Illinois attorney-in-fact, and David J. Kadyk, member of the legal firm, will sail Saturday on the "New York" for London on this mission. Mr. Lord stated he will attempt to work out some method by which London Lloyds will be able to qualify and operate under the code without abandoning its principles and methods of operation. An important question, he said, is how to take care of the interests of Illinois underwriters. There are also complicated questions, he said, arising from the five-year endorsements being placed in existing policies to continue them in force in case London Lloyds should elect to let its license expire.

### Have Proposal in Mind

The chairman of London Lloyds recently positively asserted qualification would be impossible under the Illinois code, however, Messrs. Lord and Kadyk may propose a plan to increase capitalization of Additional Securities, Ltd., recently formed by London underwriters to put up deposits in various countries. Mr. Kadyk, former assistant attorney-general, goes along especially because he is familiar with Illinois department affairs and Illinois law. He has made a special study of the new code and will interpret it for the underwriters of London Lloyds.

### Monarch Life's Meetings

The Monarch Life is having 35 of its men from eastern sections of the country at Ashfield, Mass., next week to attend a sales school. Superintendent of Agencies F. L. Merritt and Agency Secretary Alan Crowell will lead the discussion.

Following three regional meetings in August the top 50 sales leaders of the company will meet with President C. W. Young and other home office officials in Detroit Aug. 30-Sept. 1.

### WANTED AUTOMOBILE AND PLATE GLASS UNDERWRITER

By outstanding Chicago general agency. Give complete information as to past experience, age, qualifications, etc., in first letter. Good opportunity for advancement for right man.

ADDRESS F-88 NATIONAL  
UNDERWRITER

### SPECIAL AGENT

Wanted by the Employers Liability Assurance Corporation to travel the state of Ohio. State age and experience.

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## WANTED CLAIM MANAGER

For CLEVELAND Branch Office

Must be thoroughly experienced and qualified to handle all forms of automobile claims . . . . .  
Well acquainted with Cleveland territory . . . . .  
And capable of managing branch office . . . . .  
Lawyer preferred.

An exceptional opportunity with one of America's outstanding non-conference stock automobile insurance companies . . .  
Rated A Plus. Address F-89, The National Underwriter.





## HELP PREVENT RESIDENCE BURGLARY LOSSES

Sell Safety! The man who is accident-prevention and loss-prevention conscious applies the same sort of common sense to minimizing loss due to crime that he applies to accident and fire hazards. When you sell him safety, you also sell him the idea that

proper insurance protection is needed. Get the current issue of The Employers' Pioneer. Find out more about selling insurance by selling safety. No obligation—just address your request to the Publicity Department, 110 Milk Street, Boston.



### THE EMPLOYERS' GROUP

110 MILK STREET, BOSTON, MASSACHUSETTS

## GEORGIA AGENTS HOLD ANNUAL MEETING

(CONTINUED FROM PAGE 6)

the replacement cost of a suitable building. Another point to watch is a building located at an inconvenient site. There is a temptation to collect on the policy to rebuild at a more convenient spot. In the same category are buildings which do not satisfactorily serve the purpose for which they were erected. Another factor which may become a moral hazard is a building which has been put up at a cost out of all proportion to its usefulness or the value of the rest of the farm structures. If these "white elephants" are insured to their full value, they may frequently become losses.

Sometimes a farm risk that starts out well turns sour because the farmer becomes hard pressed for money. He may engage in violating the law to add to his income. This creates a moral hazard on the part of the assured, and there is possibility that if he has made enemies, they might fire his place. In the same category is the farmer who is dissatisfied with his location, either due to paying too much for his property or for other reasons. He cannot sell without a loss and hence is tempted to collect on his

policy. The rural agent must watch out for the client who wants insurance in excess of a fair proportion of value. Sometimes farmers and their families put up buildings with their own labor and sometimes from timber from their own land. In such cases they may want coverage that will take care of the replacement cost using outside materials and labor. If the farmer burns his building, he would make a good profit. Occasionally an agent will run across a risk where title to the property is subject to litigation, or where there are family difficulties. The land and buildings cannot be divided, but the money the insurance represents could.

Some farm property is mortgaged beyond possibility of the owner to pay or renew his note. Such risks must be watched carefully, since the owner will be tempted if he knows he is going to lose his property to the mortgagee. Panic from fear of foreclosure is a prolific cause of fraudulent fires, Mr. Orrender said.

President H. J. Haas reviewed the status of insurance legislation. He outlined reasons for the application to the

Georgia department for a flat advance of 5.9 percent in all compensation rates. The Georgia association is supporting the National Council's request for this increase, due to the rise in weekly payments, total disability and medical and hospital expense authorized by the last legislature. The association is also supporting the request for retrospective rating.

Because of shrinkage in fire premiums, he urged agents to concentrate on learning and selling some of the less recognized lines. He also warned against cooperative schemes and told agents whenever the opportunity was presented to speak before luncheon clubs and other organizations in defense of the principle of profit in business.

He criticized the casualty companies for encroaching on local agents' prerogatives, deploring the adverse decision of the United States Supreme Court on the Georgia law which forbade company employees from being licensed as local or resident agents. He said while the fire companies cooperate with the agents, the casualty companies seem to feel that they can handle their affairs without assistance or advice from the sales force, except when they want help in getting rate increases and in fighting legislation. He said that even though the casualty companies saw fit to fight and upset the Georgia law, they eventually will realize that the agent should have some voice in operations.

### Program Features Are Given

After the officers' reports were given, T. G. Redden of Greensboro, president North Carolina association and S. G. Ostot of Raleigh, manager, spoke of work accomplished by the Business Development program in their state.

The convention was entertained at luncheon by the newly formed Southern Fire & Marine of Georgia. Many agents entered the annual golf tournament. The banquet and dance were held and C. L. Ledsinger entertained the officers, past presidents and out-of-town guests.

The final morning session opened with discussion of reporting forms, fire and supplemental covers led by C. P. Jervey of Hartford, secretary Travelers Fire. Following this was a playlet conducted by A. P. Francis, assistant manager Hartford Steam Boiler and Mr. Wootton entitled "An Electrical Machinery Insurance Sale."

Mr. Carswell of Savannah, chairman resolutions committee, read his report. All recommendations were passed without a dissenting vote. Following installation of officers the convention adjourned to a suburban resort for a barbecue given by the Southeastern Underwriters Association.

### SEEN AT GEORGIA CONVENTION

**L. T. Wheeler**, secretary-manager Southeastern Underwriters Association, was on hand at all meetings.

**W. L. Reynolds**, state agent American of Newark in Florida, attended the convention. He spent considerable time with **Vice-President Laurence Falls**.

**L. C. Adair**, manager Fidelity & Casualty Atlanta office and **R. G. Turner**, agency supervisor southern department America Fore group, formed the reception committee at that group's headquarters, where hospitality was extensive.

**Clarke Smith**, from the agency department of the Royal-Liverpool group, New York, represented that office and gave a very good talk on "Use and Occupancy," answering all questions in the open forum. He is a native Georgian and felt at home in Atlanta.

Seven of Atlanta's representative agencies combined to extend greetings and hospitality. They were Jerome & Cowan, King, Knight & Co., A. H. Turner, Hurt & Quin, A. F. Irby & Co. and J. F. Lewis & Co.

**George Leonard**, manager National Union for the southern states, and conventioneer extraordinary, was still going strong at the Georgia agents' meeting. He has already attended the Florida, Mississippi, Alabama, North Caro-

lina and South Carolina association meetings.

**Headquarters** were also maintained by the Hartford Fire, Home of New York, Commercial Union, Royal-Liverpool group and Crum & Forster.

**R. C. Reice**, state agent Royal-Liverpool group, the youngest appearing grandfather in Georgia, opened and closed the quarters for three consecutive days. He has just completed his 30th year with the Liverpool, has had five years with the Queen and about four years with several other companies, including the Norwich Union.

Among Georgia's old guard of outstanding local agents who attended were H. C. Arnall of Newnan, P. M. Lancaster of Sylvester, W. E. Harrington of Atlanta, John Wilson of Macon, Scott Nixon of Augusta and John Carswell of Savannah.

**S. O. Smith**, Gainesville, was elected a lifetime honorary member of the executive committee. His agency won the Arnall plaque for the most unusual risk written during the past year. It provided coverage on a totem pole.

## Reject Permanent Secretary Scheme

(CONTINUED FROM PAGE 4)

principle and whether or not we feel sufficient financial support can be obtained. If the decision in both cases is in the affirmative, the other matters, while important, are details and can be worked out satisfactorily. There is a surplus of approximately \$9,000 for the convention book on valuations of securities. In view of the fact that we have to expend approximately \$15,000 yearly this surplus should not be too small and should be maintained at not less than \$5,000. However, approximately \$4,000 is available to pay the preliminary expenses of setting up the secretary's office and take care of advance payments before contributions can be received.

### Recommendations Are Made

"Your committee makes the following recommendations:

"1. That it would be to the interest of the National Association of Insurance Commissioners to establish the position of executive secretary.

"2. That the executive secretary work under the immediate direction of the president and the executive committee.

"3. That the offer of President Palmer to furnish free space in his department be accepted.

"4. That not to exceed \$4,000 be transferred from the committee on valuations of securities to the president and executive committee for the purpose of setting up the new position and making preliminary payments of salary and expenses.

"5. That the present position of secretary of the association now held by Commissioner Jess G. Read of Oklahoma be continued at the present salary."

### Has Deal With National Surety

**LITTLE ROCK, ARK.**, June 23.—The Arkansas Automobile Club has arranged with the National Surety to cover members in connection with traffic accidents.

### Reduce Responsibility Limit

**LANSING, MICH.**, June 23.—The Michigan house has passed a bill which would halve the present minimum unpaid judgment above which motorists would be brought under provisions of the autoists' financial responsibility law. A bill had been introduced to reduce the minimum from \$300 to \$50 but the house amended this measure on the floor to fix the amount at \$150. Few judgment debtors have been brought under the act in this state due to the high exemption. Chances for the enactment of the measure are considered good as sentiment in the senate on this subject is said to be similar to that prevailing in the house.

## Viewed at Commissioners' Meet



Top: J. A. Diemand, vice-president Indemnity of North America; Commissioner Yetka of Minnesota, and Commissioner Hobbs of Kansas.

Center: Commissioners Bowles of Virginia, Hunt of Pennsylvania and Read of Oklahoma.

Bottom: W. H. Kingsley, president Penn Mutual Life; Commissioner Sullivan of Washington, and Clifton Maloney, president Philadelphia Life.

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It gives ideas and suggestions that help you sell income protection insurance.

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## Postpone St. Louis Show Down Parley

(CONTINUED FROM PAGE 3)

this office before the date and time noted above."

The notices sent out in connection with the Marsh & McLennan-Case, Thomas & Marsh situation affected 123 agency connections for 24 companies. The Firemen's group has had 17 member and 30 non-member agency connections, the Pearl group 23 member and three non-member agents, and the Pacific National four member and 28 non-member connections.

The Pearl companies are in the clear, their respective agencies having received or applied for board membership. The hope had been expressed in some quarters that the Firemen's situation may be adjusted on somewhat similar lines, but the Firemen's will stay outside.

### Relationship Complicated

Apparently there is some confusion outside of St. Louis as to the relationship of Marsh & McLennan; Marsh & McLennan-Case, Thomas & Marsh, and Case, Thomas & Marsh. Ed Marsh of Case, Thomas & Marsh, an old established firm, in frequent statements has made it clear that neither Marsh & McLennan or the new Missouri corporation of Marsh & McLennan-Case, Thomas & Marsh, Inc., has any financial interest in Case, Thomas & Marsh. The old agency still maintains its separate entity but has a management arrangement with Marsh & McLennan-Case, Thomas & Marsh, Inc., to handle its business on a commission or fee basis. A somewhat similar arrangement prevails between Marsh & McLennan and Marsh & McLennan-Case, Thomas & Marsh, Inc., for the management of the St. Louis business of Marsh & McLennan. Case, Thomas & Marsh still has a class 1 membership in the association but an application of Marsh & McLennan-Case, Thomas & Marsh, Inc., for membership was rejected on the ground that it was controlled by non-residents.

### NEW COMMISSION RULES

The new commission rules for St. Louis, that were approved at the recent annual meeting of the Western Underwriters Association, have now been put in shape for printing and distribution by the W. U. A. governing committee.

Following the annual meeting, a mail vote was taken on the proposition that the principal city district shall be the exclusive territory of class 1 agents. The governing committee, finding that the answer was in the affirmative, incorporated that provision in the rules. The effective date for the rules has not yet been announced. Class 2 agents are limited in their policy writing activities to the territory outside the principal city district.

## Basis for Valuation of Securities in 1937 Is Set

(CONTINUED FROM PAGE 12)

the book on valuations of securities published under the auspices of the National Association of Insurance Commissioners.

"3. Stocks should be valued as shown in the book on valuations of securities except as hereinafter provided.

"4. Stocks held by life companies may be valued in the aggregate at the cost or book value, whichever is lower, provided the income received by such companies on such stocks in the aggregate, during each of the five years preceding the date of valuation, shall have been at a rate sufficient to meet the interest required to maintain policy reserves and other policy obligations, and provided further that the net investment income received by such companies on their ledger assets shall not have been less than required to maintain the reserve. This shall not apply to stocks of cor-

porations in receivership or similar status. Cost as used shall be held to include stocks received as exchanges or rights received as dividends or otherwise at not to exceed the market value quoted on the date secured.

"Resolved, that in case where the condition of insurance companies may require the immediate disposition of securities, it is recommended that the discretion of the state supervisory officials of insurance should be exercised to vary the general formula herein set forth, so as to adopt prices reflected by the exchanges."

## New Drive on in Illinois to Boost Compensation Benefits

Although the Illinois house has turned down the bill raising benefits under the workmen's compensation act, it will be considered further and organized labor is getting behind another drive for it. The measure would increase total disability benefits from 50 to 66⅔ percent of wages. Disfigurement benefits are also raised.

The legislation has been criticised as a hardship to Illinois industries since

the eight-hour bill for women has passed, and since the unemployment insurance bill is sure to go through. A companion measure which would raise benefits under the occupational disease act has been dropped, although labor will try to push it through at the next session.

### Pays Galion, O., \$3,012

Massachusetts Bonding paid the city of Galion, O., \$3,012 for shortages revealed in the accounts of a former city auditor.



## "Life" Insurance FOR BUSINESS

Technically speaking, surety bonds are not insurance. They provide indemnity against loss.

But practically speaking, a National Surety Fidelity bond has proved to be "life" insurance for many a business.

The residents of National Surety Town live securely—protected in their jobs—in their ownership of businesses—by the invisible armor of National Surety protection.

National Surety each year promptly settles just claims for losses that would otherwise bring an end to many an enterprise and the business lives of thousands.

National Surety representatives everywhere—themselves picked men—are selling Fidelity bonds and blanket bonds; plus protection against burglary, forgery, and many other dangers.

**NATIONAL SURETY CORPORATION**  
VINCENT CULLEN, PRESIDENT  
*New York*

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## ACCIDENT AND HEALTH

### Lists New Commercial Forms

#### Accident and Health Department of California-Western States Life Has Full Line of Policies

The newly organized accident and health department of the California-Western States Life, under the direction of E. W. Amos, whose monthly premium policies were reviewed recently, has also issued a full line of commercial policies. The "RA" accident policy pays for dismemberment on a weekly indemnity basis, with amounts ranging from 50 to 200 weeks; total disability for life, with two-fifths partial for 26 weeks; 50 percent additional for hospital or nurse for 20 weeks and a schedule of surgeon's fees, for a premium of \$25 for \$5,000 principal sum and \$25 weekly for men, ages 18-59, class AA. It is also issued to women at higher rates.

The "RAMR" policy has the same provisions with addition of a reimbursement section. The annual premium for the same class for \$5,000 principal sum, \$25 weekly and \$500 reimbursement is \$35. The "IA" income accident policy has practically the same coverage as the "RA" policy, but without principal sum. The "DDMR" form provides death and

dismemberment benefits and medical reimbursement, without weekly income. The "DMR" form covers only dismemberment and reimbursement. The "DHC" disability policy covers death, dismemberment and both accident and sickness weekly indemnity, with the usual hospital provision, but no reimbursement. It requires house confinement for illness while the "DMHC" disability policy does not. The company also is issuing a special automobile accident policy and a non-occupational disability policy.

#### Connecticut General's Record

The Connecticut General Life celebrated the 25th anniversary of its accident department in a two months campaign which went 217 percent over the premium quota. One of the leaders was Cincinnati with 349 percent over its quota.

#### District Meet at Kankakee

A district agency meeting of the Illinois Mutual Casualty was held at Kankakee, Ill., with Whitney Ferris of that city as host and about 40 agents from northern Illinois and Indiana in attendance. The meeting started with a luncheon, the first afternoon being given over to recreation. At a dinner that

evening Mr. Ferris was toastmaster and the entertainment was in charge of George Piersol of Kankakee.

S. W. Griffin, special agent, Streator, Ill., presided at the business sessions the second day. Home office speakers included President E. A. McCord, C. C. Inman, vice-president and agency director; Miss G. P. Edwards, secretary; E. B. Forsythe, J. W. Smith and C. C. Wheeler. Various phases of the sale of accident and health insurance were presented in 10-minute talks by J. B. Nelson, Lostant, Ill.; C. A. Graf, Logansport, Ind.; W. D. Memering, Hammond, Ind.; F. M. Stager, Sterling, Ill.; M. E. Lee, South Bend, Ind., and Mr. Ferris.

#### Meyers Made Agency Director

Roger H. Meyers has been appointed agency director of the Central Assurance of Columbus, O., in charge of production for both life and health and accident departments. He has been in insurance for 11 years and was former secretary and co-organizer of the Veterans National Life, joining the Central Assurance when it reinsured that company Dec. 18, 1935.

#### Gastil Los Angeles Speaker

LOS ANGELES, June 23.—The Accident & Health Managers' Club of Los Angeles had a large attendance at its June luncheon-meeting. The business session was devoted mainly to discussion of recent legislation affecting accident

and health insurance and also the matter of state licenses for agents writing that line.

W. G. Gastil, manager Connecticut General Life, discussed "The Tie-up Between Accident and Health and Life Insurance." He directed attention to the importance of this tieup as an avenue for increased production of new accident and health insurance, and also the tremendous volume of new insurance available from agents and brokers who write life insurance along with other lines of coverage.

#### Loyal Protective, Loyal Life Merge

BOSTON, June 23.—Approval has been given by the Massachusetts department to the amalgamation, effective June 30, of the Loyal Protective and the Loyal Life of Boston as the Loyal Protective Life. Health and accident and life insurance will now be written in the one company. John M. Powell will continue as president of the combined company and the same officers that have directed the operations of the two companies will have charge of the new organization.

#### Mitzel Made Supervisor

DETROIT, June 23.—R. H. MacKinnon, agency director Massachusetts Bonding accident and health department, has appointed H. A. Mitzel agency supervisor.

Mr. Mitzel has had ten years of field, branch office and home office experience in accident and health insurance. He was for seven years with the Detroit branch of the Zurich, the last four as manager of the accident and health department. Since leaving that company he has been with the Michigan Life as home office underwriter and claim adjuster in its accident and health department.

#### Compulsory Health Bill Killed

MADISON, WIS., June 23.—The lower house of the Wisconsin legislature killed by a vote of 62 to 26 the bill which would have established a system of compulsory health insurance in Wisconsin. Opposition to the measure came chiefly from members opposed to any form of state or socialized medicine.

The bill would have imposed a 4 percent payroll tax, half to be paid by the employee and half by the employer. All establishments with three or more employees would come under the provision.

#### Status of Felix Eber

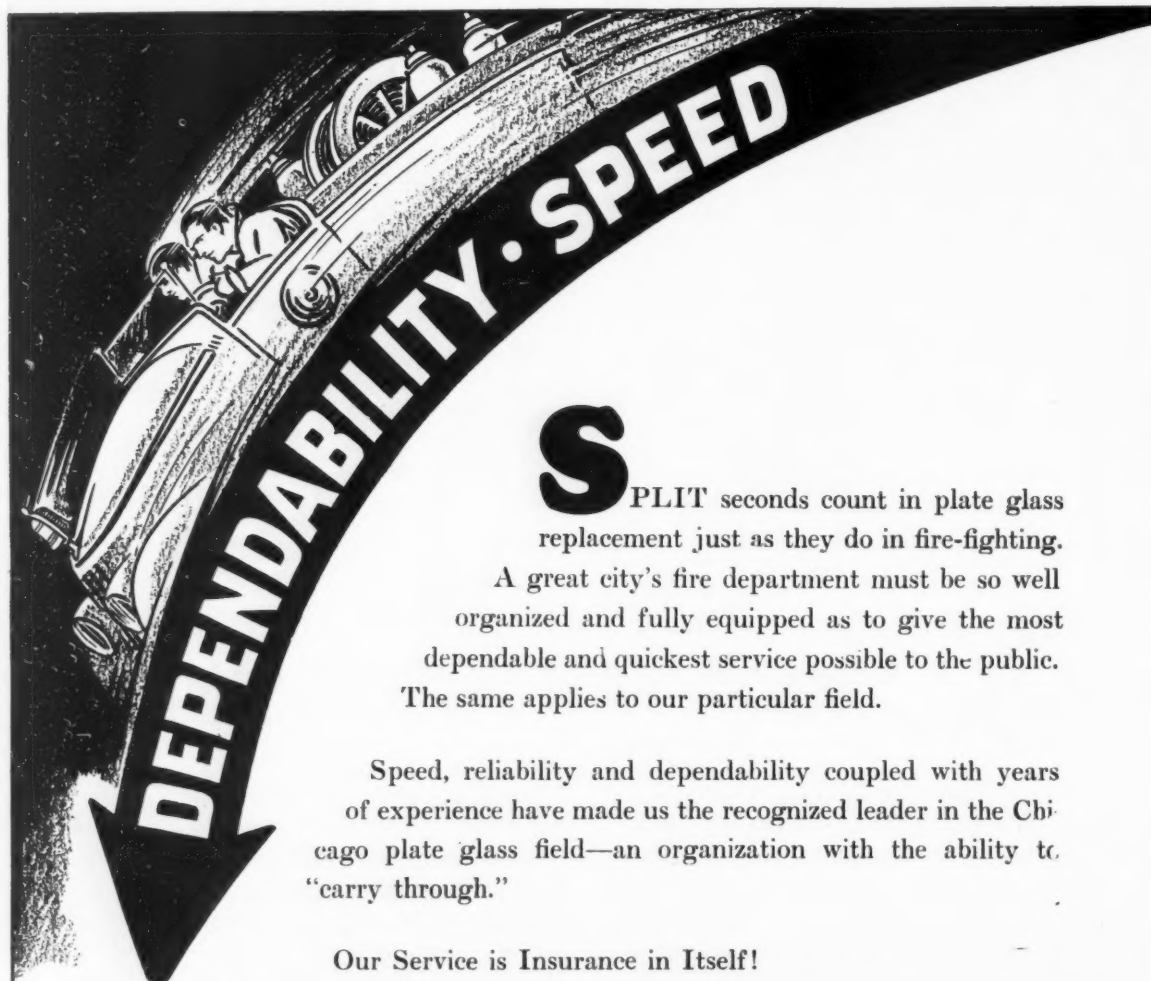
The recent statement that Felix Eber had been appointed manager of the accident and health department in the San Francisco office of Phoenix Indemnity was incorrect. Mr. Eber has joined that office as a broker.

## PERSONALS

E. W. Amos, superintendent accident and health department California Western States Life, has been visiting agencies in Seattle, Spokane and Portland. District managers for the accident and health department probably will be named in these cities.

F. S. Brown, Standard Accident executive vice-president and secretary, has returned to his desk after an absence of three weeks recuperating from an illness at his summer home at Kingsville-on-the-Lake in Canada. Mr. Brown is a daily commuter during the summer months between his Dominion residence and his office in Detroit.

G. G. Tyler, 51, long prominent in the insurance field at Kalamazoo, Mich., died after a long illness. He had operated his agency since 1928 but had been in insurance from high school days, having become an employee of the Rankin agency in 1905 after part-time duty for the agency while in school. He con-



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tinued with the agency until 1911 when he became special agent for the National Surety for northwest territory with headquarters at Portland, Ore. He soon returned to marry and entered the Rankin agency as partner, maintaining that connection until 1928 when he established his agency. He represented the U. S. F. & G. and Columbia Casualty. His death occurred on the day his daughter Esther was to receive her diploma at Kalamazoo College.

There was a large turnout of Aetna Life group Chicago office agents, northern Illinois agents and employees at the dinner honoring **E. O. Wagoner**, Chicago superintendent of agencies, who is

retiring. Arthur Hicks, Hicks-Mattson agency, Peoria, was toastmaster and George Tramel, Chicago manager, was chairman. Mr. Wagoner was given a cellophane and a facsimile of a bond, signed by his associates. About 110 attended.

**S. C. Carroll** of Omaha, vice-president Mutual Benefit Health & Accident, addressed the Kiwanis club of Council Bluffs, Ia., on "Figures and Frauds in the Accident Business."

**R. H. Platts**, vice-president of the Standard Accident, is the new owner of a cruiser, the "El Marino," flying the burgee of the Detroit Yacht Club.

charged the department had set up barriers to collecting the assessment.

#### New Aetna Life Directors

H. H. Conland, publisher of the Hartford "Courant," and Roy C. Wilcox, executive vice-president International Silver Company of Meriden, have been elected directors of Aetna Life, Aetna Casualty and Automobile of Hartford. They fill vacancies caused by the deaths recently of Edward Milligan and J. H. Roraback. Mr. Conland is also on the board of the Connecticut Mutual Life, Phoenix Fire of Hartford and Connecticut Fire.

#### Buckley Made Vice-president

The Fidelity & Deposit has elected C. A. Buckley of New York City, active in the building business and political affairs, vice-president. He has been in the building business for over 20 years. He served in Congress, 1934-1936, and previously had been New York City chamberlain. At one time he was a state tax appraiser.

#### Travelers Companies Raise Pay

The Travelers companies have granted pay raises to most of their employees, effective July 1. The raises will be given

employees on the anniversary of their going with the company, the first effective July 15.

#### Office Schedule Curtailed

The New Amsterdam Casualty's home office and field office work will be curtailed on Saturday during July and August. A skeleton force will be on duty in each place.

The Oklahoma insurance board has licensed the **Southern Underwriters** of Houston, Tex., a reciprocal specializing in automobile and long haul truck insurance.

#### Bureau Committee Outing

NEW YORK, June 23.—The June meeting of the governing committee of the burglary department of the National Bureau of Casualty & Surety Underwriters will be held at Glenwild Lake in northern New Jersey tomorrow and Friday, members being guests of W. D. Clark, head of the burglary and plate glass department of the Fidelity & Casualty, at his summer cottage on the lake shore. Gatherings of this character were inaugurated by Mr. Clark a number of years ago, and have since been an annual event.

## NEWS OF CASUALTY COMPANIES

### Employers Mutuals Merger

#### Wausau, Wis., Companies Are Joined; New Carrier Known as Employers Mutual Liability

Merger of Employers Mutual Liability and Employers Mutual Indemnity, both of Wausau, Wis., has been effected under the name of Employers Mutual Liability. The liability carrier, formed in 1911, has been an exclusive writer of workmen's compensation and one of the largest in the middle west. The indemnity corporation has been engaged in automobile, public liability, and other casualty lines.

Both companies are operated as one organization, with same officers. The merger is purely in interests of efficiency in operation, officials stated, adding that both companies are in good financial condition. While the liability company has been the larger, ratio of surplus to assets in each company is so nearly the same that according to Commissioner Mortensen, it is fair and equitable to policyholders.

The company as merged has assets in excess of \$14,500,000 and surplus over all liabilities of over \$3,000,000. All policies in force issued by the indemnity corporation now become obligations of the Employers Mutual Liability which will issue subsequent renewals. All policies will be non-assessable. Officers are: H. J. Hagge, president; W. H. Burhop, executive vice-president; W. C. Sampson, vice-president and general sales manager; B. E. Kuechle, vice-president and general claims manager; S. F. Staples, vice-president and comptroller; J. H. Phillips, vice-president and actuary; F. W. Braun, vice-president and chief engineer; C. H. Brimmer, secretary; H. M. Bower, treasurer; J. M. Sweitzer, general attorney.

### Mead Is Named Custodian for Central Mutual Auto

LANSING, MICH., June 23.—Commissioner C. E. Gauss has appointed as permanent custodian of the Central Mutual Auto of Detroit Harry Mead, Detroit attorney, member of the legal firm of Miller, Mead & Bevan. Gauss was named custodian in a court order last week by Circuit Judge Carr but was unable to serve because of his department duties.

A thorough investigation of the carrier's condition has been started by the department, which will attempt rehabilitation or reinsure or liquidate it, according to circumstances. A check is being made of assets, real and claimed, unpaid claims, judgment claims and disbursements and receipts. Considerable conflicting testimony relative to most of these items was offered at a recent court hearing after the department renewed petition for receivership. The mutual sought an injunction after a department examination disclosed substantial impairment.

It was feared Gauss would balk at effort to collect an assessment against

members. This 25 percent assessment was collected only in small part during the month after the court allowed the mutual's management a "reasonable time" to make good, according to department examiners who checked ledgers before renewing the receivership petition. At the hearing the mutual's witnesses contended its agents were ready to underwrite its impairment and it was

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Newark, New Jersey  
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especially for individuals past sixty. Therefore, elderly persons, more than others, are in definite need of accident insurance; but it is practically impossible to obtain the necessary protection through ordinary sources. All agents and brokers will find that our Over-Age Accident Insurance Policy offers exceptional service opportunities. Write for proposals and detailed information.

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President and  
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R. D. COBURN  
Executive Vice-President  
J. E. ROLLINS  
Vice-President

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| W. A. Schickedanz.....             | 10-A W. Washington             | Bellefonte, Ill.   |
| V. C. McDonald.....                | Hayburn Bldg.                  | Louisville, Ky.    |
| Wm. P. Rollins.....                | 130 E. Washington Bldg.        | Indianapolis, Ind. |
| J. L. Carson.....                  | Insurance Exchange             | Des Moines, Ia.    |
| C. F. Crist & Co., Inc.....        | Elmhurst Bldg.                 | Kansas City, Mo.   |
| Walsh Insurance Agency.....        | Webb-Crawford Bldg.            | Birmingham, Ala.   |
| Hicks-Brady Company.....           | Harry Nichol Bldg.             | Nashville, Tenn.   |
| R. A. Heese.....                   | 721 Pierce Bldg.               | St. Louis, Mo.     |
| T. H. Maenner, Inc.....            | 210 So. 19th St.               | Omaha, Nebraska    |
| J. Austin Dilbeck Ins. Agency..... | Trust Company of Georgia Bldg. | Atlanta, Ga.       |

HOME OFFICE, CLEVELAND BUILDING, ROCK ISLAND, ILLINOIS

## Has Yes, No Answer on High-Low Plan

(CONTINUED FROM PAGE 23)

Without committing himself definitely, Mr. Mortensen indicated that he is opposed to interstate rating. "It seems that the limitation to a single state is growing in favor," he asserted, "and as the plan is further tried out, will probably be the more acceptable method of application."

He said he agrees with the proponents that the plan is not against public policy in that it classifies risks on the basis of size. "Size and numbers are used as the determining factors in many phases of insurance," he asserted, "and if size can be used in classifying risks for the plan without doing an injustice to non-qualifying risks by way of cost or otherwise, that objection can be stricken or considerably discounted."

### Humanitarian Features

Mr. Mortensen took up the objection that the humanitarian features of retrospective rating are nullified by the fact that assured can purchase from London Lloyds a contract that will provide indemnity should the experience be sour and a surcharge collected. The tendency to purchase such Lloyds protection indicates a lack of faith in the theory of the retrospective plan, he declared, which can be overcome only by trial application, demonstrating a material saving to employers using the plan. Several types of coverage should not be necessary in a well regulated plan.

### Loading in Basic Premium

To the extent that there is a loading in the basic premium to take care of anticipated losses above those covered by the maximum premium, the plan seems to be a "hybrid," he said. It is, he contended, "retrospective up to the limits of the maximum premium and speculative prospective beyond that point." This is a mere judgment factor, he said. It should not be necessary because under the retrospective plan up to the limits of the maximum premium, the carrier is already better protected than under the standard plan. He said any loading in the basic premium for losses anticipated beyond the maximum premium should be eliminated.

Then he goes on to say that the retrospective rating plan further complicates the rating structure. It is not a substitute but an additional appendix. What is needed, he argued, is more simplicity, a more understandable method of rate making procedure, a simplified plan that is explainable to the assured. "In other words," he asked, "should a plan superimposed upon the present rate structure applicable to only 1 percent of risks be approved now, or is it advisable to continue with the present method until a more acceptable plan has been developed which can be applied more universally to all risks?" He asked whether an extension of the experience rating plan could not better fulfill the needs.

On the other hand, he has a kind word for retrospective rating insofar as it produces benefits to workmen and society. Then he said that he favors the principle of awaiting settlement of the major part of the premium until the losses sustained are actually ascertained. All efforts to improve the present system should be in that direction, he declared.

## Connecticut Commissioner Takes Attitude of Inquiry

(CONTINUED FROM PAGE 23)

in the automobile industry makes it impossible to conceive that the present situation will continue.

Litigation under the present system is reminiscent of the old common law suits of the servant against the master, he said. The legal maneuvers cluttered the court docket just as automobile negligence cases today do. The idea of com-

## Virginia Speaker



E. M. ALLEN

E. M. Allen, executive vice-president National Surety, former president National Association of Insurance Agents when he was a local agent at Helena, Ark., will strike the sawdust trail this week at Old Point Comfort, speaking to the Virginia local agents in their annual meeting.

persating automobile accident victims on a basis that eliminates the factor of fault cannot be discarded, he said.

Mr. Blackall dismissed the idea that insurance people are blocking or are in any way delaying the solution of the problem. It is a social problem on which the minds of a great many men are still in an attitude of inquiry, he said.

## New Hampshire Official in Compulsory Insurance Talk

(CONTINUED FROM PAGE 23)

financial responsibility law is more than 45 percent of the motorists insured.

The dual arrangement that Mr. Sullivan suggested would cause the rate problem to be less of a nightmare than it is in Massachusetts, he contended. At the same time it would give real protection to society.

The commissioner said he had been a strong advocate of responsibility laws for 10 years, but he has now lost confidence in them. In any compulsory plan, he said, the insurer should be extended fair and equitable treatment and should be given a profit factor. If the responsibility is shirked by the insurance people, state fund insurance or federal legislation may be anticipated, he said.

## Bailey Resigns as President

Frank Bailey has resigned as president of Auto Mutual Indemnity of New York. Until a successor is decided upon, Kirk A. Landon, executive vice-president, will serve as senior officer. Mr. Bailey states that although he has recovered from a recent illness, he fears a recurrence and desires to pursue a more leisurely existence.

## Open New Toronto Offices

TORONTO, June 23.—Formal opening of the new offices of the United States Fidelity & Guaranty and Fidelity of Canada was attended by senior executives from Baltimore, including E. Asbury Davis, president, and Philip Lee, vice-president and agency director. The office is under the direction of A. E. Kirkpatrick, resident vice-president, and S. W. Band, manager.

J. R. English, who has been appointed Florida representative of American Indemnity of Galveston, will have his headquarters in Orlando.



## National Council Apology 233 Pages

(CONTINUED FROM PAGE 23)

in the most tactful way possible. No rating methods can alter the fact that the operating cost of carriers doing business on the agency system must be higher than the cost of the direct writers, he said. Neither is any group under obligation to hold out a helping hand to its competitor. But, Mr. Hobbs said, a house divided against itself cannot stand and inability of the two factions to reconcile their differences is doing them harm.

The state and not the carriers have the ultimate voice in determining the future. For years compensation writers have been on the defensive against the plan for a state monopoly. The matter of state rates and state costs may readily become political issues and the shortcomings of state funds are obvious. But the most important objection to a state fund is the grief that would be caused if at one moment those depending upon the compensation business for their livelihood would lose their jobs. The carriers, he said, cannot afford to be in discord at a time when failure to present a solid front might prove fatal.

### Stock Companies' Threat

During the depression the stock companies intimated that they might withdraw from the compensation line. Mr. Hobbs expressed the belief there is no reason to doubt that threat. The shaking off of a big line would force reorganization of home offices and cause demoralization in the agency forces and the companies would not want to face either result except as a last resort, he said. The improvement in the compensation line has temporarily put a stop to this agitation but it is likely to revive at the next crisis, he said.

Although the stock volume still remains the major fraction, mutual business has increased and that of the competitive state funds has increased even more sharply.

Mutual companies have reproved the stock companies for having viewed the advance of state funds more or less complacently. It may be that the stock companies, he said, may reach a position where their compensation business could be dropped off without grave consequences and if this happened to coincide with the next crisis they might prove willing to do it, he declared. The mutuals then would have a tough battle in attempting to compete successfully with the state funds and to marshal sentiment against monopolistic funds.

### Situation Not Agreeable

The fact that he has been sitting on a volcano, according to Mr. Hobbs, has not been agreeable to him. However, the atmosphere has not always been surcharged with contention and recrimination. Moments of storm and stress have been succeeded by periods of calm.

In another chapter Mr. Hobbs ob-

served that compensation rating methods have been developed for a full quarter of a century amid economic and social conditions exhibiting all the extremes of war and peace, prosperity and depression, the heights and depths. The rate makers have sought methods to match the exigencies and to keep pace with progressive change in concepts of social rights and duties. Methods have had to be changed and changed again.

The criticism has been advanced, Mr. Hobbs observed, that compensation rate making is too complicated. He stated that simple rate making is possible only when the hazard is simple in character and the risk either uniform in point of hazard or falling easily into well defined classification. The compensation hazard is one of the most complex if not the most complex, known to insurance. It is affected by economic conditions, legislative changes, shifts and changes in operations and methods and by changes in activity in single lines of industry. To construct a system that will cope with all the factors cannot be done without some degree of detail and some elaboration of method.

### Occupational Disease Problem

In discussing the occupational disease problem, he said that it is not a serious one except in the case of dust diseases. Practically all others are amenable to control by proper regulation and by proper medical treatment.

He referred to the accrued liability problem. When an O. D. law is passed, many employees who have been hanging on to their jobs to the last possible moment become eligible for benefits as soon as they are disabled. The insurer must reckon in such case upon a number of cases of total and permanent disability being very probably presented during the time the policy will be in force and a number of other cases well on the way. It is a case of issuing what is practically health insurance upon a group of men, a number of whom are afflicted with an incurable disease. After a period of years, there would probably be an insurable run of cases, but for a period immediately following the enactment of the law, the hazard of such a risk is not insurable except at a very high cost. It is not merely a problem for the insurer; it is a cost which is a very serious matter for the employer.

### Experience Rating Plan

At another point he declared that the experience rating plan is now under discussion with a view towards ironing out such defects as have appeared in practice.

There is a chapter on the retrospective rating plan. At the time of writing, he said, the plan is in force in Alabama, Alaska, Connecticut, District of Columbia, Idaho, Illinois, Indiana, Iowa, Maryland, Montana, Nebraska, New Mexico,



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Rhode Island, South Dakota and Vermont. A similar plan has been adopted in Massachusetts and one was then pending in New York. It has been disapproved in Michigan, Colorado, New Hampshire and Utah.

Under the retrospective plan, he said, the assured cuts loose from the insurance averages contained in the regular rating procedure at the point where the premium computed passes the minimum limitation. Up to that point he practically agrees to pay a premium loaded for expenses in the ordinary way, plus a charge for keeping the premium within a certain maximum. Beyond that point he is on a cost plus basis; the plus being the cost of adjusting losses and paying taxes. The loading for other expense ceases beyond that point and this is just, he commented, since beyond that point he is not relying on an insurance average, but assuming responsibility for his own losses, whatever they may be.

Mr. Hobbs stated that he favors the plan. The saving in cost is admirable and if the plan furnishes a real incentive to the reduction of losses, that is all in

its favor. It is a simple plan, and easy of comprehension by the assured.

In the chapter on "Coverage of Undesirable Risks," he said such risks are not numerous. Although a good many risks fall in undesirable classifications, a large proportion are turned down for reasons personal to the employer. He may have a bad record for making premium settlements, may raise difficulties about payroll audits, keep false payroll records or falsify his statement of payroll. A substantial number of risks assigned under the plan do not accept the policies tendered when it is realized they must be paid for in advance.

In conclusion he stated that in point of uniformity and simplicity compensation needs to defer to no other major line of insurance where rates are made upon an experience basis. No other line has more consistently brought its procedure to square with the experience test. No other line has been so thoroughly regulated.

#### Capable of Improvement

The system is undoubtedly capable of improvement. It has changed and it will change. The changes have been in the direction of simplification rather than in the direction of subtle actuarial over-refinement and the complexities that have been introduced have been in consequence of the increasing complexities of the industrial situation. Rating operations are now well systematized and go along with a surprisingly small amount of discussion and difference of opinion. The problems now occupying the attention of the council are new ones. "It may be expected," he concluded, "that so long as the National Council continues it will find before it new barriers to be passed and be able to contemplate a succession of old ones successfully surmounted and become mere matters of detail. The main virtue of the compensation rating system is that it is a living and still flexible thing, well practiced in adapting itself to many and mutable situations and therefore the better able to adapt itself to the future."

## COMPENSATION

### Study Problem of Risks Unterminated in Indiana

INDIANAPOLIS, June 23.—The question has been raised as to whether there are not many companies still technically on Indiana compensation risks that have terminated and were not renewed. The law requires official notification of termination to the industrial board.

It has been found that frequently the official form has not been used and some companies that assumed their liability had terminated have been called upon by the superseding carrier to share in payment of a loss. It may be necessary to check the records at the industrial board office and clear up uncertainties. If this is undertaken it will mean the checking of some 125,000 files, containing an average of several policies each and some 160,000 cards. The chances are that this job may be undertaken this summer.

The same situation occurred in Illinois and the companies had to clear the industrial commission files, which was a tedious and costly job.

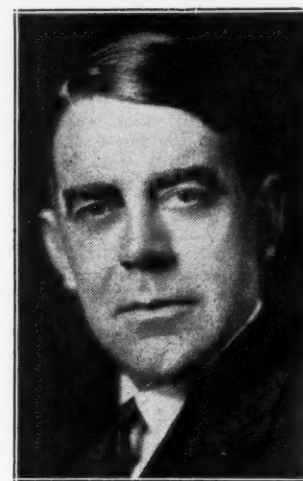
#### Fear Michigan Bills

LANSING, MICH., June 23.—With adjournment of the Michigan legislative session set for June 25, there was still danger that several additional measures liberalizing the workmen's compensation act would reach enactment. The house passed a bill making occurrence of an accident prima facie evidence of negligence on the part of the employer. Another bill passed by the house provides for paying compensation awards in full to heirs if the recipient of an award dies

## Speak Before Commissioners



H. J. MORTENSEN, Wisconsin



JOHN C. BLACKALL, Connecticut

There were two prominent commissioners that had set addresses at the annual meeting of the National Association of Insurance Commissioners in Philadelphia this week, they being Commissioner Mortensen of Wisconsin and

Commissioner Blackall of Connecticut. Mr. Mortensen dealt with the retrospective plan in rating workmen's compensation insurance and Mr. Blackall dealt with compulsory automobile insurance and collateral issues.

from another cause before payments had been completed. Another bill given house approval limits lawyer's and physicians' fees in compensation cases.

In anticipation of additional work for the labor department, in view of the new occupational disease law, approval was also given by the house to a bill adding two commissioners to the present four-member department.

#### Consider Experience Rating

SANTA FE, N. M., June 23.—Superintendent Biel of New Mexico has called a hearing for June 28 to determine whether experience rating is to be permissible in the state, he notified home offices. Ralph Taylor, Mountain States Compensation Rating Bureau, Denver, will be present to represent companies.

A general compensation rate revision has become effective in New Mexico, increasing the rate level 13.4 percent. The new rates apply to all outstanding business and resulted from recent amending of the compensation law.

#### Praise Commissioner Funk

A. B. Funk, Iowa industrial commissioner, who retires from office July 1, was honored at Spirit Lake, Ia., in resolutions adopted by the annual bar chautauqua, his work being praised. J. T. Clarkson, Albia, is his successor.

#### Ben Beris Case Continued

The case against Ben Beris, president of the American Glass Company of Chicago, on a charge of obtaining money under false pretenses, has been continued to July 16. Mr. Beris was one of about 50 rounded up by the state's attorney recently in a drive to curb the malicious breakage of glass in the city.

On the charge of conspiracy in connection with malicious breakage of glass, Mr. Beris was dismissed. The complaint in connection with the charge of getting money under false pretenses concerns a barber shop risk at 2627 North Kedzie avenue, Chicago, that was insured by Aetna Casualty.

The allegation is that American Glass Company collected for a replacement there that was not made. The item amounted to \$49.71. Mr. Beris states that he has made an investigation of this case, that his records are clear and he is anxious to stand trial.

#### Bureau Meeting in Los Angeles

LOS ANGELES, June 23.—Rollo E. Fay, recently appointed manager of the Pacific Coast branch of the National Bureau of Casualty & Surety Underwriters, conducted his first Los Angeles meeting with a large attendance. The meeting was devoted to a round table discussion of tentative rules for the Pacific Coast branch, with suggestions from members for the benefit of the advisory committee.

New members elected to the southern California section of the advisory committee were: Aetna Casualty & Surety, Globe Indemnity and Ocean Accident.

#### Transfer Missouri Suit

ST. LOUIS, June 23.—Suit to enjoin the Maryland Casualty and two of its St. Louis executives from continuing to operate its claim department along established lines on the grounds it constitutes unauthorized practice of law has been transferred from St. Louis court of appeals to the Missouri supreme court on motion filed by the company, contending a constitutional question is involved.

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# POINTERS FOR LOCAL AGENTS

## Sales Talk and Prospecting Hints for Reporting Form

Practical suggestions for prospecting and making a sales presentation in behalf of reporting forms of cover were contained in the address of C. P. Jervey, secretary Travelers Fire southern department, before the annual meeting of the Georgia Association of Insurance Agents.

He suggested listing, by consulting the telephone directory, all concerns with headquarters in the community that are not, to the certain knowledge of the agent, already fully cared for in all of their insurance needs. The agent should then determine whether each risk is entitled to consideration for a reporting form. He predicted if this is done included will be prospects, whom the agent had not previously considered.

### Making Sales Presentation

In making the sales presentation, the agent should mention several of the desirable points of reporting forms.

Among these points, Mr. Jervey mentioned that the reporting form is a convenience, designed to care for the needs of the business having multiple locations. One policy suffices, with one expiration date. If more than one policy is desired, that can be easily arranged. Because there is only one policy, the assured can thoroughly understand the cover and can know that it applies to all locations alike. The single policy removes the possibility of non-concurrence. The premium is computed on the fluctuations of values on a pro rata basis. An assured who has been accustomed to cancelling some of his stock policies occasionally during the year can be shown by actual figures how much he might save under a reporting form.

The reporting form is an automatic

cover, protecting the assured up to the limits of loss at all locations. This is particularly important today, with values increasing. The assured is automatically protected at unreported and unknown locations until the next report is rendered.

In the reporting form the local agent has a means of protection that is just as broad as any form that any of his brokerage competitors might draw.

Mr. Jervey recommended that agents seek to include in the policy the supplemental contract.

The form provides a rather continuous relationship between assured and agent. The necessity of rendering monthly reports means the client will from time to time confer with the agent about his business, method of keeping books, etc. The agent then gets into the position of being a real adviser.

Interstate Underwriters Board, he de-

clared, has made friends through its audits. I. U. B. experts occasionally make valuable suggestions to assured. If agents appreciated this, they would more frequently request audits with the single state policies as well.

After reviewing the reporting cover policies on the ordinary stocks of merchandise and related property, he mentioned the special tobacco reporting form. Another large tobacco producing state recently adopted the Georgia form, he said. This form enables the tobacco sales warehouse man easily to handle his insurance requirements.

The reporting form on builders risks, he recalled, can now be used, no matter what the final value of the structure may be. This class, he said, has been overlooked by many agents and he urged that a concerted drive for it be made. The agent should make certain that the form is explained to the owner or contractor in connection with any new building that goes up.

The classes of business that qualify for reporting forms are for the most part of the preferred type. Every dollar of such business that is acquired gives the agent more latitude in handling the needs of assured on certain poorer classes.

## Points to Remember in Sales of Electrical Cover

At the annual meeting of the Georgia Association of Insurance Agents, A. P. Francis, assistant manager of the Atlanta department of the Hartford Steam Boiler, gave a dialogue in which a special and local agent participated. He used this as an educational feature in illustrating the sale of electrical machinery insurance. In the dialogue it was brought out that while a concern may have had a very favorable experience with its equipment and its record shows that it is well cared for, there are a number of things that could happen and are happening to others every day.

### Some Electrical Machinery Hazards

A short circuit, a ground, trouble from a line surge, bearings worn out, letting the armature rub on the stator, mechanical failures of many kinds—all these may happen. It is not only the expense and time required to repair the broken equipment but the trouble in many ways it may cause. Time interruption insurance can be arranged for. The insurance company inspector makes his usual rounds and being a man of wide and solid experience he is able to give much information to those that have charge of a plant's machinery. Very often Mr. Francis pointed out, a plant employee will let the electrical equipment slide. He is not provided with the necessary meters and devices to make a correct analysis of existing conditions.

### Report Is an Excellent Check

It was explained that the company inspector not only makes a verbal report to the plant's supervisor but there are detailed accurate statements made in writing as to what the inspector found. Whether the condition of a motor is good or bad it is commented on. The company inspector may write about a number of parts of the motor or other machines. Mr. Francis explained that in the report there are general observations on the plant with reference to motors, especially when anything is in need of attention. Suggestions are

offered as to the best and cheapest way to remedy the trouble.

He asserted that these inspections may bring about reduction in power bills, discover overloaded motors and other operations carried on inefficiently due to a lack of load. After all, Mr. Francis pointed out, the report of the company inspector is a check on the plant's own people and he very likely by being more careful and deliberate in his inspection discovers weaknesses that the regular employee overlooks. Mr. Francis designated the protection of the machinery policy as a spare tire. For miles it gets a free ride and is never called upon to do a thing. Then one of the tires becomes flat and the spare is

## ANSWERS

By J. C. O'Connor, Editor  
National Underwriter's F. C. & S. Bulletin

Q.—I read with interest your story on the meeting of the Louisiana local agents and noted that a playlet, "Mr. Porter from Podunk" was given, it being a satire on non-stock companies, as I am told. Can you tell me where I can get a copy?

A.—W. Morgan Garrott, care of Dave Dermon Company, Dermon building, Memphis, Tenn., is author of the playlet to which you refer.

\* \* \*

Question—What percentage of automobile owners carry automobile insurance?

Answer—As to what percentage of automobiles that carry liability insurance, of course there can only be an approximate estimate. Authorities that have looked into the subject carefully say that between 25 and 30 percent are insured.

brought into immediate use. He said that the inspection service carries a policyholder a long way but accidents will happen. It is then that the protection is highly valuable.

In the dialogue there was a plant used as an illustration with 13 motors and the premium was \$240. The prospect balked at this and then as a suggestion it was proposed that he consider the plan with respect to the four large motors. Attention was called to the fact that they represent the principal investment. To secure a three horsepower motor is not a difficult job. To have an extra one is not a great expense. A policyholder can well afford to have a spare in his stockroom and call it his insurance. Such, however, is not true in connection with the larger capacities. They cost too much. He was told that these four large motors could be insured for \$125.20. Then if the service is found to be satisfactory and constructive, the smaller motors can be added from time to time.

## Urges U. & O. Mass Attack

Mass attack was advocated by T. C. Underwood of Chicago, agency superintendent America Fore, in addressing the annual meeting of the Kentucky Association of Insurance Agents, as a means of selling U. & O. and other less universally accepted lines of coverage in a community.

"Instead of trying to keep his activities secret with the idea that he will reap a harvest while others sleep and have a monopoly on some form of coverage," Mr. Underwood advised, "the insurance salesman should attempt to interest as many other agents in the same form and to unify their presentation so that the efforts of one would not be destructive of the efforts of the others."

### Work of One Aids Other

If two or more men, in attempting to sell U. & O. to a prospect, agree in their presentation and explanation, the work of one aids the other and someone will probably make the sale, he observed. If they disagree among themselves not only will no one be able to make the sale but the prospect will become suspicious of

U. & O. and the task of selling him this cover becomes well nigh impossible for anyone.

"You do the educating, the other fellow reaps the benefit; the other fellow does the educating, you reap the benefit. Fair enough, I should say."

A few years ago, he recalled, in one community everyone would carry tornado insurance and in the same amount as fire; in another community 25 miles away no one would carry tornado insurance at all; in a neighboring community everyone would carry tornado but for only half the amount of the fire. The difference was due to the manner in which the agents had educated the public.

Mr. Underwood contended that the most useful and profitable activities in which a local board can engage is a systematic program for the study and solicitation of various coverages, one at a time.

Literally a library on fire insurance—the progressive agent reads "The Fire Insurance Contract." \$3.50. The National Underwriter.

## SALES IDEAS OF THE WEEK

### Danger in Sausage Lengths

One of the dangers in practical local agency insurance practice is found in case of a concern which divides its insurance into sausage length assignments. That is, the premium payer may conclude that he is under obligation for business reasons to distribute his insurance to three or more local offices. The amount of the premium going to each may not be an incentive for anyone to study the assured's insurance program scientifically and intelligently. Where this condition exists there is always the danger of an outside broker stepping in, making a survey of the conditions, and suggesting improvements of real value.

In fact, the divided line system is one of the easiest targets at which the outside broker can shoot. He realizes that the assured is not getting proper service. Inasmuch as the insurance is divided into small links, an agent does not give that policyholder the attention that he should have. Hundreds of lines have been captured by outsiders because they saw the weakness of the situation and were able to make suggestions of value to the assured that reduced his insurance cost, gave him modern coverage and programmed his insurance in a way that appealed to him.

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# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Program for Upper Peninsula

#### Annual Meeting of the Northern Michigan Agents Will Be Held at Iron Mountain

The program is announced for the 14th annual convention of the Upper Peninsular Insurance Agents Association to be held at Iron Mountain, July 10. R. J. Bath of Ironwood is president, Carl Miller, vice-president, and N. C. Bartholomew, secretary and treasurer, all members of the Dickinson County Association of Insurance Agents. The business program will start in the morning at the Pine Grove Country Club with Mr. Bath presiding. Mayor Carl Miller of Iron Mountain will give the address of welcome and the response will be made by A. J. Young of Escanaba. George Brown of Detroit, executive secretary of the Michigan Association of Insurance Agents, will give a report of its activities. S. M. Ennis of Newberry is chairman of the committee on resolutions.

There will be a round table discussion on losses, supplemental contract, workmen's compensation, automobile rates and other problems. There will be a luncheon served and in the afternoon golf will be indulged in. President Bath will open the banquet program and introduce Mr. Bartholomew as toastmaster. Insurance Commissioner Gauss will be the chief speaker. It is expected that a number of the officials of the Michigan association will be present.

### Doebler Elected President of North Dakota Federation

FARGO, N. D., June 23.—R. J. Doebler of Minot was elected president of the Insurance Federation of North Dakota at a meeting here with 75 in attendance. O. J. Trimble of Devils Lake was reelected secretary-treasurer, and D. W. Crabtree, retiring president, executive committee chairman.

Other members of the executive committee are J. F. Nichols, Oakes; Mr. Doebler, Mr. Trimble, H. W. Montgomery, Minot; H. W. Murphy, Bismarck; Frank Newberry, Clay Smith and Leonard Zell of Fargo.

Mr. Zell, who is state agent of the Hanover, spoke on the Business Development campaign, and Earl Dean, Minneapolis, outlined casualty insurance selling methods.

Otto Vold, state fire fund manager, spoke in the place of Commissioner Erickson, who was scheduled to speak. H. H. Hayes, secretary of the Iowa federation, also was a speaker.

The meeting closed with an informal entertainment in the Dawson Insurance Agency offices.

### New Wisconsin Insurance Department Setup Proposed

MADISON, WIS., June 23.—Reorganization of the state government is proposed by Governor La Follette, setting up a single director in each major state department to be supervised by a policy-making board. A tentative draft of a bill, which the joint legislative committee on government reorganization will use as a basis for a final measure, has been submitted.

In the insurance department, now under a single full-time commissioner, three part-time commissioners would be appointed by the governor with senate consent, whose duties would be advisory and policymaking. They would

appoint a full-time director at a salary of \$6,000 to \$7,000 to carry out all administrative and executive functions of the department. The director would be subject to removal by the commission and the governor acting jointly.

This proposal explains why Governor La Follette has not sent to the senate the reappointment of Commissioner Mortensen, whose term has expired. For some time there has been much discussion whether he would be reappointed. It is quite possible that such a commission as is proposed might elect Mr. Mortensen as director.

### Michigan Qualification Bill Awaits Fate in Final Week

LANSING, MICH., June 23.—This week will decide the fate of the agents' qualification bill whose passage by the Michigan legislature has been so ardently sought by the Michigan Association of Insurance Agents. The bill at the start of the final week of the session, was in the house insurance committee with opinions divided as to whether or not it would emerge for action on the floor. If the bill is reported out, agents' association leaders are fairly confident of its passage. It traversed the senate with no opposition and there has been no open opposition in the house.

The return of the qualifications bill to the committee was for the purpose of shearing off the objectionable amendments but it is understood that their author has since exerted pressure to keep the measure in committee unless it carries the modifications he favors. It is possible that the bill may be reported with a provision that it apply only to the state's larger cities. This would eliminate some company opposition generated by the belief that its regulations are unnecessary in the small towns.

A bill almost sure of enactment is sponsored by Joseph Mullen, chairman of the house insurance committee. It requires the discontinuance after 1942 of the present farmers' mutual assessment plan after losses have occurred throughout the year. Under provisions of proposed act, all farmers' mutuals would be forced to estimate losses and collect a premium in advance. If losses exceed the amounts collected, an additional levy may be made.

### Ohio Agents Meet June 25 at Cedar Point; Give Agenda

The Ohio Association of Insurance Agents mid-summer outing will be held at Cedar Point on June 25. On the previous evening the board of trustees and various committees will meet. Much emphasis is being placed on the conference of rural agents and adoption of a program for agents who insure farm property.

A report on this phase will be submitted by a committee composed of P. W. Tribolet, Bellevue, chairman; F. E. Kirkpatrick, Columbus; Donald Grieser, Wauseon; Herbert Boynton, Toledo; Frank Murphy, Athens; Charles Robinson, Gallipolis, and J. P. Aikin, Bellefontaine. A group headed by Mr. Aikin has made complaints regarding handling of renewal business by the federal land banks and this will be discussed. At the general meeting a report will be made on insuring of financed automobiles. The Springfield association has been working on this problem and is expected to offer a plan. The surety

problem will be taken up following submission of the report of a special committee composed of L. C. Jones, Youngstown; Harold Jones, Middletown and R. H. Pfeil, Cleveland. This question will be considered by the committee the evening before the convention and Mr. Jones will be the first speaker when the meeting opens.

### Hold Business Development Regional Meet in St. Paul

ST. PAUL, June 23.—Agents and field men from half a dozen eastern Minnesota counties gathered here for an all-day Business Development meeting. G. H. Radcliffe, agency member of the committee, presided.

Speakers included R. B. Nienhauser, R. M. Neely Co., general chairman, who gave an outline of capital stock fire insurance and local agency service; C. H. Johnson, U. S. Fire, on "Research and Engineering," Carl Mannheim, agent, on "Non-stock Fire Insurance Organizations"; Dean Perry, Fire Association, field chairman, on "Dauwalter Formula." These talks were followed by an open forum and luncheon.

In the afternoon V. L. Johnson, Red Wing, for the agents, discussed, "Vulnerable"; S. C. Aldridge, president Minnesota Association of Insurance Agents, "Mutual Life vs. Mutual Fire Insurance"; A. B. Jackson, assistant vice-president St. Paul Fire & Marine, "Non-stock Propaganda," and P. J. Slettedahl, editor, "Northwest Insurance," "Cooperatives and Reciprocity in Business."

P. H. Ware, Minneapolis, general chairman of the campaign in Minnesota, closed the meeting with a summary of the points brought out.

### Still Under Shane Management

The Wolford Agency of Danville, Ill., is continuing under the Shane management. Following the death last December of Charles F. Shane, his two sons are conducting the business, they being Wolford M. Shane and John W. Shane. This agency is one of the largest and oldest in Danville, having been established in 1877. W. M. Shane entered the business in 1930, after finishing his studies at Ohio State University. John W. Shane, who formerly attended the University of Arizona, entered the business this year.

### Racine County Agents' Outing

RACINE, WIS., June 23.—Burlington members of the Racine County Association of Insurance Underwriters were hosts at an outing. Golf and other entertainment were provided, 45 agents attending dinner which was followed by a business session and a round-table discussion.

### Want Tax Money Paid Direct

ST. PAUL, June 23.—Insurance companies would be required to allot to the proper fire departments the 2 percent relief tax which they now pay to the state, if the Minnesota State Firemen's Association has its way. At the annual convention the association voted to submit to the legislature a bill providing for such allotment. The association complained that many local fire departments are being deprived of their rightful share of this tax.

In Minnesota, the companies pay the 2 percent premium tax to the state and the state, in turn, distributes the proper share to the 350 or more fire department towns. Should the companies be required to remit directly to the towns, their accounting procedure would be complicated. They would undoubtedly oppose such legislation.

The association opposed any legislation that would impair the efficiency

of fire departments. It urged defeat of a bill now in the senate that would divert to the state certain tax money that now goes to municipalities on the iron range, on the ground it would deprive the fire departments in those towns of needed money. The association took a stand against altering the present civil service laws which apply to fire departments.

Commissioner Yetka, one of the speakers asked that the association oppose a move to divorce the fire marshal's office from the insurance department, as is being proposed in certain quarters.

### Extensive Missouri Program

For the last three months the Business Development program in Missouri was conducted at 19 meetings in ten zones covering every section of the state. Sponsored by the Missouri Fire Underwriters Association, the meetings attracted 864 agents, excluding fieldmen, an average of 45 for each meeting. Analysis shows 102 fieldmen and 44 agents gave 146 speeches.

### Reagan Is Now in Charge

F. M. Reagan of Mobridge, S. D., who takes charge of the John M. Cogley, Inc., general agency at Sioux Falls, is a native of Aberdeen. He has spent the last 20 years in insurance and banking. He has been associated with Mr. Cogley since the organization was started.

### Agents Start Ad Series

MUSKEGON, MICH., June 23.—The Muskegon Association of Insurance Agents, which has been aggressive in fighting off encroachments of mutual and reciprocal competitors, has started a cooperative advertising campaign in which advantages of stock insurance are to be explained in daily newspapers every week.

### Urge O'Malley's Reappointment

KANSAS CITY, June 23.—The Insurance Agents Association of Kansas City has endorsed "wholeheartedly" Superintendent O'Malley of Missouri "and his conduct of the Missouri insurance department." They recommended O'Malley strongly for reappointment.

### Kendallville Agency Feted

The companies represented in the J. A. Jones and R. H. Jones agency of Kendallville, Ind., went to that place Tuesday of this week to pay their respects to the principals of the agency. A number of the companies have been represented in that agency for 50 years. J. A. Jones is the father and R. H. Jones, the son.

### Fete Holly & Co. Agency

The Holly & Co. agency of La Crosse, Wis., having completed 50 years representation of the North America, that company was host at a golf outing and dinner to the members of the agency in La Crosse. W. H. Riker, western manager, W. H. Cuthbertson, automobile superintendent, and Harry Kallgren, Wisconsin special agent, represented North America.

### Garrett Agency Appointed

The T. W. Garrett, Jr., general agency of Kansas City has taken representation of the State of Pennsylvania for Kansas, and of the Insurance Underwriters Agency of the State for Missouri. The latter heretofore has not been active in Missouri. The State was formerly represented in Kansas by the J. K. Morrison general agency, Omaha, this association with the Morrison agency being amicably terminated. The Garrett agency has added C. S. Dunn

as Kansas special agent with headquarters in Wichita. He formerly was adjuster at Hutchinson, and prior to that with the Wade Patton agency, Hutchinson.

### Aldridge Talks to Women

MINNEAPOLIS, June 23.—S. C. Aldridge, president Minnesota Association of Insurance Agents, addressed the final meeting of the Minneapolis Insurance Women's Association, on "Consumer Cooperatives."

### Merge Findlay, O., Agencies

The J. C. Spencer Agency and Patterson Insurance Agency of Findlay, O., are being merged following death of J. C. Spencer. Mr. Patterson will be the licensed agent and L. A. Light, office manager Spencer Agency, will serve in the same capacity in the new Spencer-

Patterson agency. This is one of the largest agencies in that section of Ohio.

### Ryan Before Mutual Club

The Mutual Insurance Field Club of Ohio was addressed at the June meeting in Columbus by T. J. Ryan, assistant state fire marshal. The next regular meeting will be in October, but it is probable an outing will be arranged for September at Columbus.

### On Omaha C. of C. Committee

Sam Howell of the E. E. Howell & Son agency has been elected chairman of the Omaha chamber of commerce's insurance division executive committee, succeeding Col. T. E. Patterson, vice-president Woodmen of the World.

F. T. B. Martin, vice-president Martin Brothers agency, was elected a member of the committee.

## IN THE SOUTHERN STATES

### New Orleans Exchange Rule Prohibits Direct Writings

NEW ORLEANS, June 23.—The New Orleans Insurance Exchange has amended its by-laws prohibiting writing direct business by general agents, special agents, company managers or salaried representatives, and imposing penalties for violation. Members of the exchange "may not represent or place business with a company not a member of the exchange, whose state agent, special agent, manager or salaried representative solicits or issues policies or bonds direct to the public within the jurisdiction of this exchange or accepts such business from a non-member of this exchange."

The rule applies to general agents except those who also conduct local agencies and are members of the exchange. With two exceptions the exchange membership is composed entirely of local agents, brokers and solicitors, the exception being the Lafayette Fire and L. & L. & G., which conduct local departments and have been members for many years.

### San Antonio Exchange in Action on Tornado Forms

The San Antonio (Tex.) Insurance Exchange has adopted a motion without dissenting vote that no objection would be made to discontinuance of the 50 percent builders risk tornado form No. 22, if in the judgment of the companies they see fit to discontinue it, with the understanding that where the full 100 percent actual value tornado form is used, the agents be allowed pro rata cancellation down to 50 percent. Secretary F. F. Ludolph reported on the Texas Association of Insurance Agents convention.

### Oklahoma Restrictions Sought

OKLAHOMA CITY, June 23.—Chairman W. S. Eberle of the Oklahoma City chamber of commerce fire prevention committee has called a meeting for July 12 to consider sponsoring or formulating a city ordinance to regulate transportation of flammable liquids through the city streets.

### Plan Texas Casualty Meeting

A mid-year casualty conference for the Texas Association of Insurance Agents is being planned by President Josh R. Morriss. Details of the meeting, a one-day business gathering for discussion of Texas casualty problems, will be announced later.

### Names Legislative Committee

NEW ORLEANS, June 23.—With a special session of the state legislature

coming on, President Thomas Grace of the Louisiana Insurance Society has appointed a committee to watch developments as regards insurance legislation, composed of Lowery Eastland, chairman, Baton Rouge; M. J. Hartson, Sr., New Orleans; William Gassie, Jr., Port Allen; Bryan Bell, New Orleans; W. D. H. Rodriguez, Monroe; Joseph Meyers, New Orleans; H. D. Larcade, Jr., Opelousas; J. S. Turner, Arcadia; Edward Wright, Houma; E. A. Jones, Rayville, and J. H. Bodenheimer, New Orleans.

### Kill Tax Transfer Bill

OKLAHOMA CITY, June 23.—Attempt to transfer collection of the 2 percent premium tax from the insurance department to the state tax commission failed when senate bill 462, passed in the senate, died in the house. It was one of a number having to do with insurance, several affecting workmen's compensation, that failed before adjournment.

### Miami Doubles License Fee

MIAMI, FLA., June 23.—An ordinance doubling former license fees for insurance agencies has passed first reading by the city commission. A public hearing on the proposed ordinance will be held.

It would increase the present charge of \$110 for each agency of an insurance company in the city to \$220 for each company no matter how many agencies it has. Formerly the license fee was \$110 for each company, regardless of the number of agencies.

### Florida Investment Bill Signed

Governor Cone of Florida has signed the bill authorizing insurance carriers of all kinds to invest in stock of the federal home loan banking system.

### Postpone Augusta Annual Meeting

The annual meeting and picnic of the Augusta (Ga.) Board has been postponed to July 10.

### Realty Company Incorporated

The North Elm Apartment Co. of Greensboro, N. C., has been incorporated by President Julian Price and Chief Counsel J. C. Smith of the Jefferson Standard Life, and President E. C. Green of the Pilot Life. The new organization will construct a group of apartment units containing 92 apartments on North Elm St. in Greensboro.

## PACIFIC COAST AND MOUNTAIN

### Society of Brokers Elects

#### San Francisco Group Picks Officers—New Amendment Causes Dispute with Pacific Board Companies

SAN FRANCISCO, June 23.—Fred Hohwiesner, governing committee chairman of the Society of Insurance Brokers, was reelected. N. J. Birkholm, vice-chairman the past year, was also reelected, both getting a unanimous vote. The new governing committee was elected at the annual meeting June 8.

An amendment adopted at the annual meeting, which proposed the governing committee shall have the right to grant relief to members under specific conditions, has created considerable talk in San Francisco's insurance district. It became known following a meeting of the Pacific Board where it was presented for approval and ratification. The companies are inclined to oppose the plan on the grounds that it holds dangers to both brokers and companies and might result in uncontrollable rate cutting and placing of business with non-board companies without justification. A committee of the board will meet with a special committee yet to be appointed by the governing committee of the society to discuss the proposal with the view of having it rescinded. Discussion among brokers showed this action on the part of the society will stimulate similar action by the Insurance Brokers Exchange with its membership of nearly 700.

### Lively Battle Waged Over Portland School Insurance

PORTLAND, ORE., June 23.—A battle over the relative value of stock and mutual was waged at a meeting of the Portland school board. The total schedule on Portland schools is \$13,977,934, distributed as follows: Northwestern Mutual Fire, \$2,280,628; General of Seattle, \$2,330,145; Federal Hardware & Implement Mutuals, \$1,299,999; Oregon Mutual Fire, \$1,811,191; Pearl Assurance, \$2,500,000; Portland Insurance Exchange, \$3,455,970; miscellaneous agencies, \$300,000.

The issue was whether the board should distribute approximately \$5,000,000 through the Portland Insurance Exchange or adopt a committee recommendation cutting the exchange's share in half and distributing the entire amount more equally among the seven groups.

The Portland Exchange, which was responsible for putting the insurance under the present schedule and which at one time had \$7,000,000 coverage, was criticized by representatives of some 200 independent agencies outside its membership for "monopolizing the business." The exchange invited independent agents to join and explained membership qualifications.

The school board, after two and a half hours of debate, indicated it would adopt the committee's recommendation, giving approximately \$2,000,000 to each of the first six groups and increasing the miscellaneous agencies' allotment from \$300,000 to \$800,000.

### Place Golden Gate Bridge Line

SAN FRANCISCO, June 23.—Directors of the Golden Gate Bridge District, after several weeks of delay and consideration, have finally authorized the brokerage firms of Cosgrove & Co. and

G. E. Billings & Co. to place \$22,400,000 of all-risk insurance on the bridge. The premium for three years is \$1.17½, a reduction from the original bid of \$1.20 per \$100. The Insurance Brokers Association, formed by the Insurance Brokers Exchange for the purpose of handling public insurance, lost in its efforts to have the business handled by its organization for the benefit of all its members and agents of the Redwood Highway Insurance Agents Association, the group representing the rural territory north of San Francisco.

### New Ruling on Provisional Forms

SAN FRANCISCO, June 23.—Superceding an announcement of June 4, the Pacific Board has revised the method of computing agents' commissions applicable to provisional reporting forms.

Under the new ruling, when the policy is issued the average rate of commission shall be determined, based on the values used in computing the provisional deposit premium. The average commission thus figured shall be the rate for the entire term of the policy, and there shall be no adjustment of this commission at expiration. This revised rate applies to all provisional contracts written on and after April 1, rather than June 1, as previously announced.

### California Adjusters Ruling

The license bureau of the California state board of prison directors has issued a call to all insurance adjusters to file applications for detective licenses before July 1. Secretary Walter Killam said it was decided two years ago by the attorney-general that adjusters, insurance company investigators and reporting agencies must be licensed. While most of the latter complied, the adjusters endeavored to have the law amended without success.

### Wentz & Erlin Changes

C. J. Kingsbury, formerly with the Commercial Standard at Los Angeles, has been appointed superintendent of the automobile department of Wentz & Erlin with headquarters at San Francisco. W. B. Hahn, formerly with the Carl N. Corwin general agency, has also joined Wentz & Erlin as special agent with headquarters in Fresno, Cal.

### Insurance Wedding in Portland

D. W. L. Mac Gregor, resident director of Balfour, Guthrie & Co., Portland, Ore., announces the marriage of his daughter Jean to C. Hunt Lewis of Lewis & Cartwright, general agency there.

### Big Loss Underinsured

The Fisher & Smith Bag Company fire in Seattle caused \$100,000 loss to the four-story frame building and 2,500,000 burlap bags. There was \$75,000 insurance on the building.

### Insurance Women's League Meets

The Insurance Women's League of San Francisco heard an address on "Angel Island and Its Inhabitants," by Miss Katherine Maurer of the U. S. immigration service. Miss Alyce West has been appointed treasurer pro-tem following resignation of Miss Louise Sturges due to change in occupation.

The league has issued a bulletin thanking firms and individuals who contributed to success of its candidate for queen of the recent Golden Gate Bridge Fiesta, Miss Vivian Sorensen of the Commercial Union.

### Honor Legion Past Commanders

SAN FRANCISCO, June 23.—Past commanders of Insurance Post 404, American Legion, were guests of honor at a special luncheon meeting under the

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## CALIFORNIA (Cont.)

**HARMON C. BROWN**  
3616 Main Street  
Riverside, California  
Fireman's Fund Group (partial) and others on request. Local attorney for the Atchison, Topeka and Santa Fe Railway Co. Investigations, adjustments, trial of all insurance cases in State and Federal Courts.

**HUSTON, HUSTON &  
HUSTON**  
Capital National Bank Building  
Sacramento—California  
Also Offices  
Democrat Building  
Woodland, California

**STEARNS, LUCE, FORWARD  
& SWING**  
1220 San Diego Trust & Savings Building  
San Diego, California  
Travelers, Standard Accident, Maryland Casualty and many others on request.  
Defense of Insurance Companies in Southern California.

**GLENSOR & SCHOFIELD**  
449 Mills Tower  
San Francisco, California

**HADSELL, SWEET,  
INGALLS & LAMB**  
Financial Center Building—San Francisco  
Partial Representation: Continental Cas. Co., Fidelity & Cas. Co., Globe Ind. Co., Great Amer. Ind. Co., London Guarantee & A. Co., Medical Prot. Co., New Amsterdam Cas. Co., Phoenix Ind. Co., Royal Ind. Co. and various Life, Fire and Health and Accident Companies.

**KEYES & ERSKINE**  
Herbert W. Erskine William A. White  
Morse Erskine J. Benton Tulley  
625 Market Street  
San Francisco, California  
General Counsel Pacific National Fire Ins. Co. Trial of insurance cases in State and Federal Courts.

**JOHN J. TAHENY**  
Hobart Building  
San Francisco, California  
Representing Associated Indemnity Corp., General Reinsurance Corp., and others.  
Former Vice-president and general counsel of Associated Indemnity Corp., and Associated Fire & Marine Ins. Co., San Francisco.

**THORNTON, MENZIES &  
TAYLOR**  
311 California Street  
San Francisco, California  
548 South Spring Street  
Los Angeles, California  
Refer to any insurance office in San Francisco. Aetna, Continental Caledonian, Home, Home Indemnity. Others on request.

## COLORADO

**GRANT, ELLIS, SHAFROTH  
& TOLL**  
730 Equitable Building  
Denver, Colorado

**LEE, SHAW & McCREERY**  
1217 First National Bank Bldg.  
Denver, Colorado  
Company references given on request.  
Equipped for investigations, adjustment and settlements of all claims. Trial all insurance cases in State and Federal Courts.

## CONNECTICUT

**SHIPMAN & GOODWIN**  
15 Lewis Street  
Hartford, Connecticut

## DELAWARE

**MARVEL, MORFORD, WARD  
& LOGAN**  
Delaware Trust Building  
Wilmington, Delaware  
Specializing in Insurance and Corporation matters.

## DIST. OF COLUMBIA

**HUGH M. FRAMPTON**  
327 Southern Building  
Washington, D. C.  
Manufacturers Casualty Ins. Co.  
Equipped for investigations, adjustments, settlement of claims, fire, casualty, automobile, surety—trial of all insurance cases, Maryland, District of Columbia and Federal Courts.

**MINOR, GATLEY & DRURY**  
Colorado Building  
Washington, D. C.

## FLORIDA

**MARKS, MARKS, HOLT,  
GRAY & YATES**  
1321 Graham Building  
Jacksonville, Florida  
Equipped for investigations, adjustments and trial of all insurance cases in Northern Florida.

**MAGUIRE & VOORHIS**  
Florida Bank Building  
Orlando, Florida  
Representing the Aetna Group, American Surety, Fireman's Fund, New Amsterdam, National Surety, Standard Accident and many others.  
Trial of all insurance cases in State and Federal Courts in this territory.

**WATSON & PASCO  
& BROWN**  
American National Bank Building  
Pensacola, Florida  
United States Fidelity & Guaranty; Hartford; New Amsterdam; Sun; Lumbermen's Mutual; Matile & Company.

**WYLIE & WARREN**  
308-312 Hall Building  
St. Petersburg, Florida  
American Surety Company of N. Y., New York Casualty Company, Glens Falls Indemnity Co., Standard Accident & Insurance Co., Mass. Bonding & Ins. Co.  
Equipped for investigations, adjustments and trial of insurance cases in State and Federal Courts.

**McKAY, MacFARLAND,  
JACKSON & RAMSEY**  
Citrus Building  
Tampa, Florida  
Representing about thirty-five leading casualty and surety companies—names given on request.  
Equipped for investigations, adjustments and trial of insurance cases in all courts.

**EARNEST & LEWIS**  
706-10 Guaranty Building  
West Palm Beach, Florida  
American Surety Company of New York, Hartford Accident & Indemnity Company, Fireman's Fund Indemnity Company, United States Guarantee Company, and many others furnished on request.  
Equipped for investigations, adjustments, settlement of claims, trial of all insurance cases, State and Federal Courts, in Florida.

## GEORGIA

**BRYAN, MIDDLEBROOKS &  
CARTER**  
LAW OFFICES  
924 Citizens & Southern National Bank Bldg.  
Atlanta, Georgia  
Equipped for investigations, adjustments, settlement of claims, and trial of all insurance cases in Georgia.

**Hitch, Denmark & Lovett**  
17 Drayton Street  
Savannah, Georgia  
Representing American Surety Co. of N. Y., New York Cas. Co., Continental Cas. Co., National Surety Corp., and numerous others.  
Equipped for investigations, adjustments, settlement of claims, and trial of all insurance cases in State and Federal Courts in Southern District of Georgia.

## IDAHO

**MARTIN & MARTIN**  
596-598 Idaho Building  
Boise, Idaho  
Fireman's Fund Insurance Company; Loyalty Group; Ohio Casualty Insurance Company and others.  
Equipped for investigation, adjustments and settlement of all claims. Trial of all cases in State and Federal Courts in Southern Idaho.

**CHAPMAN & CHAPMAN**  
Burkholder Building  
Twin Falls, Idaho  
General Group of Seattle, Hartford Accident & Indemnity and others on request.  
Equipped for investigations and trial work in State and Federal Courts in south central Idaho.

## ILLINOIS

**JOHN K. NEWHALL**  
402 Keystone Building  
Aurora, Illinois  
Travelers, F. & C., Maryland Casualty Co.  
Important investigations and adjustments.

**Clausen, Hirsh & Miller**  
Attorneys & Counselors  
135 South La Salle Street  
CHICAGO  
Special Attention to the Law of  
Fire Insurance and Taxation

**KENNEDY & FISCHER**  
10 South La Salle Street  
Chicago, Illinois  
Detroit Inter-Insurance Exchange  
The Chicago Motor Club

**LORD, LLOYD & BISSELL**  
Rm. 2460—135 South La Salle Street  
Chicago, Illinois  
Insurance defense—Casualty, Surety, Life & Fire Lines.

**McKenna, Harris & Schneider**  
166 West Jackson Boulevard  
Chicago, Illinois  
Insurance Defense  
Sun Indemnity, Liberty Mutual, Car & General, U. S. F. & G. Others on request.

**POPPENHUSEN, JOHNSTON,  
THOMPSON & RAYMOND**  
Eleven South La Salle Street  
Chicago  
Trial of Insurance cases—Casualty, Surety, Fire and Life — in all courts in northern Illinois.

# INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

## ILLINOIS (Cont.)

### BARR & BARR

416 Rialto Square Building  
Joliet, Illinois

Important investigations and adjustments. Travelers, Continental Casualty Co., Loyalty Group and others.

### CLARENCE W. HEYL

8th Floor Central National Bank Bldg.  
Peoria, Illinois

Trial of insurance cases: representing MARYLAND, FIDELITY & CASUALTY, ROYAL GLOBE, EAGLE, BANKERS INDEMNITY AND OTHERS.

## INDIANA

### DAVIS & EICKHORN

Gary State Bank Building  
Gary, Indiana

Ocean Accident & Guaranty Co., Columbia Casualty Co., American States Insurance Co. Important investigations considered.

### HENRY & FUNK

Investigations—Adjustments—Trial Work  
References on Request  
501-7—130 E. WASHINGTON BLVD.  
INDIANAPOLIS

### LUTZ AND JOHNSON

Suite 728-32 Circle Tower  
Indianapolis, Indiana  
Insurance Attorneys

### NOEL-HICKAM-BOYD & ARMSTRONG

Suite 1019—130 East Washington  
Indianapolis, Indiana

Aetna Group, Commercial Casualty, Metropolitan Casualty, Standard Surety & Casualty, N. Y., and many others. Trial of all insurance cases in State and Federal Courts.

### Slaymaker, Merrell & Locke

Attorneys specializing in All Phases of Fire, Marine, Life & Casualty Insurance Litigation  
751-760 Consolidated Building  
INDIANAPOLIS

## IOWA

### HICKENLOOPER and MITVALSKY

Merchants National Bank Building  
Cedar Rapids, Iowa

Northwestern National Casualty Co., Milwaukee, Wisc., and others on request. Defense trial of all insurance cases in State and Federal Courts in this territory. Equipped for investigation, adjustment and settlement of claims.

### SWANSON & PERKINS

Park Building  
Council Bluffs, Iowa

Equipped for investigations in Southwest Iowa. Trial of insurance cases in State and Federal Courts.

### CARL H. LAMBACH

1102 Davenport Bank Bldg.  
Davenport, Iowa

Specializing in insurance trial work in State and Federal Courts. Department for investigations in Eastern Iowa.

## IOWA (Cont.)

### BRADSHAW, FOWLER, PROCTOR & FAIRGRAVE

Suite 510 Crocker Building  
Des Moines, Iowa

Representing Continental Casualty—Loyalty Group—Hartford Accident and many others. Equipped for investigations and adjustments of insurance claims.

### COMFORT & COMFORT

Frank J. Comfort George P. Comfort  
1107 Southern Surety Building  
Des Moines, Iowa

Massachusetts Bonding & Insurance Co., Casualty Reciprocal Exchange. Trial of civil cases. Investigations and adjusting.

### STIPP, PERRY, BANNISTER & STARZINGER

1000-1023 Bankers Trust Building  
DES MOINES, IOWA

Travelers—Northwestern Life Co.—Globe Indemnity—Fireman's Fund. Equipped for investigations, settlement of claims and trial of all insurance cases in State and Federal Courts.

### BREESE & CORNWELL

First National Bank Building  
Mason City, Iowa

Equipped for Investigations—Northern Iowa

### A. R. STRONG

623 Davidson Building  
Sioux City, Iowa

Equipped for investigations, settlement of claims, all insurance cases in State and Federal Courts.

## KANSAS

### HALL & CLARK

303-304 Wolcott Building  
Hutchinson, Kansas

Specializing in all phases defense of insurance companies. Reference: Western Adjustment & Inspection Company.

### KELLER, MALCOLM & BURNETT

204 National Bank Building  
Pittsburg, Kansas

Counsel for: Employers Group, Standard Accident, Central Surety, Sun Indemnity, U. S. F. & G., Northwestern National, Prudential and others. Specializing in Insurance Law. Equipped for investigations, settlement of claims and trial of insurance cases in State and Federal Courts in Southeastern Kansas.

### PINGRY & PINGRY

First National Bank Building  
Pittsburg, Kansas

The Aetna Group, Manufacturers & Wholesalers Indemnity Exchange, The Mercer Casualty Company, Indemnity Insurance Company of North America, The Glens Falls Indemnity Company. Equipped for investigations, adjustments, settlement and trial of insurance cases over southeastern Kansas.

### NORRIS & JENKINS

Public Utility Bldg.  
Salina, Kansas

Insurance Companies represented: Fidelity & Casualty, Fidelity & Deposit, Loyalty Group, American Surety, Hardware Mutual and many others. Equipped for investigations, adjustments and trial of cases in Northwest Kansas.

### Doran, Kline, Colmery, Cosgrove

903 National Bank of Topeka Bldg.  
Topeka, Kansas

Equipped for investigation, adjustment, settlement and trial of insurance business of all kinds in Kansas

## KANSAS (Cont.)

### HARRIS & SHEARER

302 Brown Building  
Wichita, Kansas

Ohio Casualty, Employers Casualty, Builders & Manufacturers and others. Equipped for investigations.

## KENTUCKY

### KEENON, HUGUETET & KESSINGER

Security Trust Building  
Lexington, Kentucky

Prudential Insurance Company; Yorkshire; Massachusetts Bonding; National Casualty, Detroit; Greyhound Lines and others. Equipped for investigations, adjustments, and trial of all insurance cases in State and Federal Courts.

### Davis, Boehl, Viser and Marcus

(Blakey, Davis and Lewis)

Kentucky Home Life Building  
Louisville, Kentucky

Investigations, Adjustments and Trial of all Insurance Cases.

### Woodward, Dawson & Hobson

Insurance Attorneys

615-24 Kentucky Home Life Building  
Louisville, Kentucky

## LOUISIANA

### McCOY, KING & JONES

Suite 515 Weber Building  
Phone 400  
Lake Charles, Louisiana

American Auto Ins. Co., American Surety, Employers Group, Fireman's Fund Ins. Co., Maryland Casualty, Travelers Group, U. S. F. & G., and many others. Investigations and adjustments all over this territory.

### LESLIE P. BEARD

1914 American Bank Building  
New Orleans, Louisiana

Trinity Universal, Sun Indemnity, Central Surety & Insurance Corp., and many others. Equipped for investigations, adjustments, and trial of all cases in State and Federal Courts in Eastern Louisiana.

## MARYLAND

### WALTER L. CLARK

Roszel C. Thomsen  
Clater W. Smith

Baltimore Trust Building  
Baltimore, Maryland

## MASSACHUSETTS

### SAWYER, HARDY, STONE & MORRISON

33 Broad Street

Boston, Massachusetts  
Employers' Group and others.

## MICHIGAN

### BEAUMONT, SMITH & HARRIS

2900 Union Guardian Building  
Detroit, Michigan

### KERR, LACY & SEROGGIE

Dime Bank Building  
Detroit, Michigan

## MICHIGAN (Cont.)

### HENRY A. PLATT

2111 National Bank Building  
Detroit, Michigan

Specializing in defense Trial work for Insurance Companies.

### SEABORG & RICE

Attorneys and Counselors

827 Penobscot Building  
Detroit, Michigan

Randolph 5160

### HARRY D. BOARDMAN

607 Jackson City Bank Bldg.  
Jackson, Michigan

Western Adjustment Company. Former Prosecutor, Jackson County, and Assistant Attorney General of Michigan. Trial work—investigations.

### CLAIR S. BEEBE

1003 American National Bank Bldg.  
Kalamazoo, Michigan

Western Adjustment & Inspection Co. Trial of all insurance cases in State and Federal courts in this territory.

### WM. C. BROWN

415 Hollister Bldg.  
Lansing, Michigan

Representing about 25 Companies. Trial in State and Federal Courts and before all State Departments and Boards. Equipped for investigations.

## MINNESOTA

### BALDWIN, HOLMES, MAYALL & REAVILL

900 Alworth Building  
Duluth, Minnesota

Travelers' Group, Mass. Bonding & Insurance Co., Pacific Mutual Life Insurance Co.

### GUESMER, CARSON & MacGREGOR

1218-1232 Roanoke Building  
Minneapolis, Minnesota

### SEXTON, MORDAUNT, KENNEDY & CARROLL

Trial of insurance cases in Federal and State Courts in Minnesota. Investigations, adjustments, and settlement of claims.

Pioneer Building Security Bldg.  
St. Paul, Minn. Minneapolis, Minn.

## MONTANA

### CORETTE & CORETTE

619-621 Hennessy Building  
Butte, Montana

American Surety Company; New York Casualty Company; Sun Indemnity Company. Equipped for investigations, adjustments, trial of all insurance cases in Butte, Helena and western Montana.

### HALL & McCABE

414 Strain Building  
Great Falls, Montana

Company representation upon request. Equipped for investigations, adjustments and trial of insurance actions in State and Federal Courts, in North and Northwestern Montana.



# INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

## MONTANA (Cont.)

### MERLE C. GROENE

Lewistown, Montana  
Standard Accident Company of Detroit,  
All-State Insurance Company, Chicago.  
Others on request.

## NEBRASKA

### MAYER & MAYER

116½ West Third Street  
Grand Island, Nebraska  
Massachusetts Bonding & Insurance Company—others  
on request.  
Equipped for investigations, adjustments, settlement  
of claims, trial of all insurance cases in State and  
Federal Courts in Central Nebraska.

### C. L. CLARK

410 Richards Building  
Lincoln, Nebraska  
Defense of insurance cases in all courts.  
Investigation, adjustment and settlement of claims.  
Loyalty Group, Northwestern National Casualty  
Company, Trinity Universal Insurance Company.  
Others on request.

### HOAGLAND, CARR & HOAGLAND

Suite 9-13, Tramp Building  
North Platte, Nebraska  
U. S. F. & G., Continental Casualty, Hartford  
Accident & Indemnity, St. Paul Mercury & Ind.,  
Zurich, Western Insurance Co., and others on request.  
Equipped for investigations and adjustments in  
western Nebraska.

### ROSEWATER, MECHAM, SHACKELFORD & STOEHR

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Representing 35 Insurance Companies—  
Kemper Group—Loyalty Group—Sun—Home—Liberty  
of Boston—American Surety—Security of Chicago—  
Employers of Wausau—Associated Ind. and others.  
Complete trial and claim service over Nebraska and  
Western Iowa.

## NEVADA

### C. D. BREEZE

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U. S. F. & G., Los Angeles; American Surety Co.,  
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Equipped for investigations and adjustments. Trial  
Defense Insurance Companies—Southern Nevada.

## NEW JERSEY

### THOMPSON & HANSTEN

1421 Atlantic Avenue  
Atlantic City, New Jersey

### COLLINS & CORBIN

1 Exchange Place  
Jersey City, New Jersey

### McCARTER & ENGLISH

13 Commerce Street  
Newark, New Jersey

## NEW MEXICO

### MANN and TONKIN

605 Sunshine Building  
Albuquerque, New Mexico  
Metropolitan Casualty Insurance Co.; Commercial  
Casualty Co.; American Automobile Assn.; others  
on request.  
Trial of all insurance cases in State and Federal  
Courts in the State of New Mexico.

## NEW YORK

### CHARLES E. HARDIES

First National Bank Building  
Amsterdam, New York  
General insurance litigation.

David F. Lee  
David Levene

Edward E. O'Brien  
Donald W. Kramer

### LEE, LEVENE, O'BRIEN & KRAMER

TRIAL LAWYERS  
310 Security Mutual Bldg.  
BINGHAMTON, NEW YORK  
Insurance attorneys. Especially equipped to handle  
investigations, adjustments and litigation over central  
New York.

### ALEXANDER & GREEN

120 Broadway  
New York City

### O'CONNOR & FARBER

120 Broadway  
New York City  
Insurance law in all its branches.

### ROOT, CLARK, BUCKNER & BALLANTINE

31 Nassau Street  
New York City  
Insurance litigation—organization and admin-  
istration problems.

### BUTLER, KILMER, HOEY & BUTLER

Saratoga National Bank Building  
Saratoga Springs, New York  
Clients given on request.

## NORTH CAROLINA

### HARKINS, VAN WINKLE & WALTON

Jackson Building  
Asheville, North Carolina  
United States Fidelity & Guaranty, Hartford Acci-  
dent, Home, N. Y., Sun, Glens Falls, American  
Auto, many others on request.  
Trial of all insurance cases in State and Federal  
Courts.

### JNO. A. McRAE

108 Law Building  
Charlotte, North Carolina  
General American and others upon request  
Equipped for investigations, adjustments, trial of all  
insurance cases in State and Federal Courts.

## OHIO

### BURT, KINNISON, CARSON & SHADRACK

Renkert Building  
Canton, Ohio  
Aetna, American Auto., Bankers Indemnity,  
and others on request.

### DeCAMP, SULPHIN & BRUMLEVE

Traction Building  
Cincinnati, Ohio

## OHIO (Cont.)

### WAITE, SCHINDEL & BAYLESS

1318-27 Union Central Life Building  
Cincinnati, Ohio  
Insurance Litigation, specializing in Life, Casualty  
and Fire—Trials in Federal and State Courts—  
Reference on request.

### JOHN H. McNEAL

and  
HARLEY J. McNEAL  
502 Auditorium Bldg., 1307 E. 6th St.  
Phone Main 1926 CLEVELAND  
Attorneys-at-Law  
Facilities for investigations, adjustments and  
Trial work over Northern Ohio.

### SANDLER, ELLIOTT & ASHBAUGH

614 Outlook Building  
Columbus, Ohio  
Representing Standard Accident, Massachusetts Bond-  
ing and others.  
Investigations, adjustments, trial of all insurance  
cases.

### EASTBROOK, FINN & McKEE

Third National Bank  
Dayton, Ohio

### MARTIN & CORY

First National Bank Building  
Springfield, Ohio

### BARNUM, FORD, BENNETT & POWERS

Union National Bank Building  
Youngstown, Ohio

## OREGON

### HARRIS & BRYSON

201-6 Miner Building  
Eugene, Oregon  
Zurich General Accident and Liability Insurance  
Company, Ltd.; Manufacturers and Wholesalers In-  
demnity Exchange. (Other companies on request.)  
Equipped for investigation, adjustments, settlement  
of all insurance cases, and trial in State and  
Federal Courts.

### BARTLETT COLE

1124 Board of Trade Bldg.  
Portland, Oregon  
Careful attention to all insurance matters.  
Trial of all insurance cases in State and  
Federal Courts.

### DEY, HAMPSON & NELSON

800 Pacific Building  
Portland, Oregon  
Continental Cas. Co., American Motorist,  
Pacific Greyhound Lines and others.

### RAFFETY & PICKETT

410 Mead Building  
Portland, Oregon  
Globe Indemnity Co., Fireman's Fund Insurance Co.  
(Marine Department), other names upon request.  
Equipped to make investigations and adjustments,  
also trial of insurance cases in all State and  
Federal Courts.

## OREGON (Cont.)

### SHEPPARD & PHILLIPS

1208 Public Service Bldg.  
Portland, Oregon  
U. S. F. & G., Lloyds of London, others on  
request. Investigations and Adjustments.

## PENNSYLVANIA

### SNYDER, HULL, HULL & LEIBY

Kline Building  
Harrisburg, Pennsylvania  
Massachusetts Bonding, Travelers, American  
Automobile, and many others.

### CHAPMAN & CHAPMAN

1500 Walnut Street  
Philadelphia, Pennsylvania  
General counsel—Pennsylvania Ind. Corp. and  
Pennsylvania Indemnity Fire Corp.

### DICKIE, ROBINSON & McCAMEY

Grant Building  
Pittsburgh, Pennsylvania  
General Insurance Litigation. Clients on  
request.

## SOUTH CAROLINA

### ROBERT McC. FIGG, JR.

43 Broad Street  
Charleston - South Carolina  
The Travelers Insurance Company, American Hurst  
Company of New York, Hartford Accident & Indem-  
nity Company, New York Casualty Company.  
Trial of all insurance cases in State and Federal  
Courts. Equipped for investigations and adjustments.

### THOMAS-LUMPKIN & CAIN

1000-7 Central Union Building  
Columbia, South Carolina  
Specializing in Fire, Casualty, Surety and Life.  
Trial of all cases.  
Equipped for investigations and adjustments all over  
South Carolina.

## SOUTH DAKOTA

### BAILEY, VOORHEES, WOODS & BOTTM

Sioux Falls  
Charles O. Bailey (1860-1928)  
John H. Voorhees Melvin T. Woods, Jr.  
Theodore M. Bailey Roswell Bottum  
Howell L. Fuller Ralph S. Rice

## TENNESSEE

### POORE, KRAMER & TESTERMAN

302 Fidelity Bankers Trust Building  
Knoxville, Tennessee  
Zurich Insurance Co., Chicago, Ill.; Preferred Acci-  
dent Ins. Co., New York; Commercial Standard Ins.  
Co., Fort Worth, Texas; and other companies on  
request.  
Equipped for investigation, adjustments and trial of  
cases in all courts in Eastern Tennessee.

## TEXAS

### UNDERWOOD, JOHNSON DOOLEY & HUFF

800 Amarillo Building Amarillo, Texas  
Consolidated Underwriters, Commercial Standard In-  
surance Co., Maryland Casualty Co., Texas Employ-  
ers Insurance Assn., others on request.  
Equipped for investigations, adjustments, trial of all  
insurance cases state and federal courts, Panhandle  
and West Texas.

(Continued next page)

# INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

## TEXAS (Cont.)

### COLEMAN GAY

Norwood Building  
Austin, Texas

Travelers—American Indemnity—Glens Falls—others on request.  
Practice before all State Departments.

### HUBBARD, DYER & SORRELL

City National Bank Building  
Corpus Christi, Texas

References: Maryland Casualty Company, American Fidelity & Casualty Company, Traders & General Insurance Company.  
Specializing in Insurance Law  
Equipped for Investigation and Claims

### LAW OFFICES

### COKE & COKE

First National Bank Building  
DALLAS, TEXAS

Reaser J. Coke Thomas G. Murnane  
Henry C. Coke, Jr. John N. Jackson  
Julian B. Mastin Arthur E. Hamilton

### SANER, SANER & JACK

Twentieth Floor Republic Bank Bldg.  
Robt. E. Lee Saner Jno. C. Saner  
Wm. H. Jack, Jr.  
Equipped for Investigations, Adjustments,  
Trial of all Insurance Cases, State and  
Federal Court.  
DALLAS, TEXAS

### Cantey, Hanger & McMahon

15th Floor, Sinclair Building  
FORT WORTH, TEXAS

Samuel B. Cantey Samuel B. Cantey, Jr.  
(1882-1924) Alfred McKnight  
William A. Hanger Gillis A. Johnson  
Mark Mahon B. K. Hanger  
W. D. Smith  
Investigations, Adjustments, Trial All Cases

### COLE, PATTERSON & COLE

Citizens State Bank Building  
Houston, Texas Galveston, Texas  
Robert L. Cole, Sr. J. W. McDaniel  
Bennett B. Patterson Harold T. Thurow  
Robert L. Cole, Jr. R. E. Owens  
Seymour Lieberman

Standard Accident Insurance Company of Detroit.  
Chicago Lloyd's.  
United States Casualty Co. of New York City, etc.  
Equipped for investigation, adjustment, trial of  
all insurance cases and oil cases.

### LAW OFFICES OF

### EDWARD S. BOYLES

FIRST NATIONAL BANK BUILDING  
HOUSTON, TEXAS

Edward S. Boyles Willard L. Russell  
M. R. McCordale V. Lee McMahon  
Bruce C. Billingsley Hugh Q. Buck  
R. F. Ellibson

### CRENSHAW & DUPREE

First National Bank Building  
Lubbock, Texas

Representing U. S. F. & G., F. & D., Maryland Casualty, American National Ins. Co., Amicable Life Ins. Co., and many others.  
Trial of all insurance cases in all courts. Equipped for investigations, adjustments, settlement of claims in plains Country.

### BIRKHEAD, BECKMANN, STANARD & VANCE

800-811 Gunter Building  
San Antonio, Texas

Continental Casualty Co., Chicago; Indemnity Ins. Co. of North America, Phila.; Mass. Bonding & Ins. Co., Boston; Provident Life and Acc. Ins. Co., Chattanooga; Sun Indemnity Co. of New York; Volunteer State Life Ins. Co., Chattanooga, and others.

### MOURSUND, BALL, MOURSUND & BERGSTROM

613 Frost National Bank Building  
San Antonio, Texas  
Loyalty Group and others gives on request.  
Trial of all insurance cases, State and Federal Courts this territory.

## UTAH

### THATCHER & YOUNG

First Security Bank Building  
Ogden, Utah

Travelers, Great American Indemnity, Maryland Casualty and others on request.  
Equipped for investigations, adjustments, defense of insurance companies in Northern Utah.

### Stewart, Stewart & Carter

1105 Continental Bank Building  
Salt Lake City, Utah

Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

## WASHINGTON

### ALLEN, FROUDE & HILEN

Northern Life Tower  
Seattle, Washington

U. S. F. & G., Northwestern Mutual Life Ins. Co. Others on request.

### DAVIS AND GROFF

(William Hatch Davis, former member Vermont Bar)  
(Guy B. Groff, former member Maryland Bar)  
1333 Dexter Horton Building  
Seattle, Washington

(1) John Hancock Life.  
(2) Fidelity & Guaranty Fire Corporation.  
(Others on request)  
Equipped for investigations and adjustments and trial of all insurance cases in State and Federal Courts.

### N. A. PEARSON

403-04 Fourth & Pike Bldg.  
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### Portland Picnic July 22

The Portland (Ore.) Insurance Exchange will hold its annual picnic at Jantzen Beach July 22. Baird Little is general chairman.

### Brown Agency Buys Building

Edward Brown & Sons, San Francisco general agency, has purchased the building at 432 California street adjoining the old Liverpool & London & Globe building. It is one of the most handsome structures in the insurance and financial district. The firm expects to move about Oct. 1.

Mrs. A. L. Fox, vice-president of the Fox Agency, Okanogan, Wash., died there.

## EAST

### New Englanders Will Meet

Agents Associations Convene July 1-3 at Bretton Woods, N. H., Program Is Arranged

The New England Associations of Insurance Agents will meet July 1-3 at the Mount Washington hotel, Bretton Woods, N. H. F. W. Brodie, board chairman, will preside at the get-together dinner the first night and C. T. Hubbard, assistant secretary Automobile of Hartford, will discuss "Trends." Speakers July 2 include W. O. Wilson, president National Association of Insurance Agents, "The Washington Scene" and H. A. Robier, Royal—Liverpool group, "Use and Occupancy," in the morning. That afternoon there will be a golf tournament and bridge party, while a dinner will be given in the evening. C. C. Hewitt, of Boit, Dalton, Church & Hamilton, Boston agents, will speak July 3 on "A New Outlook on Insurance." Commissioner Blackall of Connecticut will discuss "Company Cooperation with Agents" and D. C. Bowersock, marine secretary Providence

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Washington, will discuss "Why Inland Insurance?"

Commissioner Sullivan of New Hampshire will extend greetings the first day.

The Vermont association has adopted a plan by which every member attending the convention will receive \$15 toward expenses. Members must attend the last two days of the convention, including the business sessions.

### Fear New Rochester Impasse

**Chubb & Son Opens Brokerage Branch There; Is Not Under Commission Agreement**

NEW YORK, June 23.—Chubb & Son, officials of the Federal of Jersey City, and United States managers for the Sea of London, will open a branch office at Rochester for development of brokerage business there. O. H. Harrison, of the main office of the associated companies here, will be in charge. The branch will also service business for the United States Guarantee of New York, casualty affiliate of the Chubb office.

This action may provoke concern in Rochester where allegations of excess commission payments reached such proportions that Superintendent Pink asked legislative authority over commissions as well as rates. The move resulted in a joint conference between a limited group of Eastern Underwriters Association and non-affiliated company officials, at which the situation was reviewed. It was determined the association reaffirm its attitude as to commissions for the city, that association companies in violation fall into line and each type of carrier respect agency connections of the other.

Though a non-affiliated office, the Chubb management was not invited to the conference and is not obligated to any agreement and felt free to make such plans for procuring business in Rochester as it saw fit.

### P. S. Keeler to Succeed Morris in New England

NEW YORK, June 23.—W. H. Morris, who is to retire as manager of the New England department of Crum & Forster this month, ranks as a veteran fire man in service, having spent 45 years in the business. His first connection was as office boy in the eastern department of the American Central here. When in 1902 the late J. J. Purcell was appointed manager of the western department of the Sun of London, Mr. Morris joined the office in Chicago, later transferring to the Aachen & Munich and in 1916 entering the Crum

& Forster organization here, where he has since served. He became fond of California during a visit to the west coast two years ago, and will likely spend part of each season in San Diego.

His successor as New England manager will be P. S. Keeler, who has been associated with the organization for the past 15 years, serving as Massachusetts state agent since 1925, when he was transferred from the New Jersey field.

### Eastern Underwriters Push New Rating Setup

The Eastern Underwriters Association at its last meeting of the summer decided to go ahead with its program for one rating organization for New England, despite opposition of the Boston Board. If the setup is carried out, it will not include New Hampshire. The Boston Board recently voted adversely on the merger plan.

Memorials were adopted for the late Edward Milligan, president Phoenix of Hartford, and Edmund Winchester, vice-president of the Boston.

### Randall Department Head

E. R. Randall has joined the J. M. Cullerton office of Newark, as manager of the insurance department, which has been established for more than 15 years. He has had wide experience, having been associated with several large companies, and recently was connected with the New York office of the Globe Indemnity.

### "Funday" Draws Crowd of 600

About 600 turned out for the annual "Funday" of the Insurance Society of Philadelphia, at North Hills, Pa. W. S. Kite is president. E. E. Linder was general chairman. Company men won the soft ball game against the brokers. About 200 participated in the golf.

### N. Y. Department Outing

The New York department's Albany office held its annual outing last week, it being a steak roast. In addition to Superintendent Pink and other officials from the New York and Albany offices, Howard Spencer of Rochester, former first deputy superintendent, was a guest.

### Mutual Is Enjoined

The Gloucester (Mass.) Mutual Fishing has been permanently enjoined from doing business. Louis Novens, Boston lawyer, has been named receiver for the company, which has been inactive since 1931. The injunction was sought by Commissioner DeCelles, who declared the mutual had not signed a record permitting adequate examination.

## IN THE CANADIAN FIELD

### Insurance Brokers Elect New Slate of Officials

D. A. Hanson of Montreal has been elected president of the Quebec Insurance Brokers Association and Arthur McBean of the same city, chairman of the executive committee. Vice-presidents are J. H. Gendron and Stuart Rolland of Montreal; P. A. Boutin of Quebec, and J. C. Perrault of Joliette. Charles Rolland of Montreal was elected honorary treasurer. The meeting was held in Montreal.

R. J. Wickham, president Canadian Federation of Insurance Agents, made a report as to what that body has accomplished. Additional officers elected: Secretary-treasurer, J. C. d'Auteuil, Montreal; immediate past president, M. A. J. Gauthier, Montreal; past president, J. F. Parisien, Montreal; directors, E. Ruxton Byatt, O. W. Dettmers, Gaston LeBlanc, A. A. Hanna, C. E. Geoffrion, R. L. Dussault, all of Montreal; N. Alarie, Three Rivers; P. H.

Plourde, Victoriaville; F. J. Conway, Sherbrooke; and J. B. E. Durocher, St. Hyacinthe. Chiefs of districts for the province are—P. A. Boutin, Quebec; N. Alarie, Three Rivers; F. J. Conway, Sherbrooke; A. Tremblay, Chicoutimi; George Avery, Granby; Aime Guertin, Hull; R. Lavoie, Riviere du Loup; E. Larose, Thetford Mines; J. C. Perrault, Joliette; P. H. Plourde, Victoriaville; J. B. E. Durocher, St. Hyacinthe; J. H. Delisle, Roberval; J. L. Champigny, Grand Mere; J. A. Desrosiers, Mont Jol-Rimouski; and H. Meunier, St. John.

### Downward Fire Loss Trend Reported at Ottawa Meets

Fire losses in Canada continued to show a downward trend in 1936, eclipsing even the records established in 1935 when losses were the lowest since authentic figures began to be compiled, reported J. E. Ritchie, Toronto, secretary-treasurer of the Association of Canadian

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Fire Marshals, at the annual conference at Ottawa.

There was a general conference and discussion on arson directed by W. J. Scott, Ontario fire marshal. A discussion on legislative control of physical fire hazards was led by J. E. Ritchie, Toronto.

The following officers were elected: E. Lavigne, Quebec, president; H. H. McLellan, New Brunswick, vice-president; J. E. Ritchie, Ontario, secretary-treasurer, and Major John Rudland, Nova Scotia, auditor.

At the annual meeting of the Dominion Fire Prevention Association in Ottawa H. M. Tory was reelected president. Other officers are: Honorary president, Charles Dunning, minister of finance; honorary vice-president and chairman of the executive, E. T. B. Pennefather; vice-presidents, Col. J. A. Cooper, Toronto; A. S. Creighton, To-

ronto; J. H. Riddell, Toronto; T. E. Clendinnen, Ottawa; A. O. Dawson, Canadian Chamber of Commerce; H. M. Jacques, Canadian Manufacturers Association, both of Montreal; Mrs. G. O. Spencer, National Council of Women; Tom Moore, national employment commission; R. A. Seasons, Ottawa; honorary secretary, G. D. Finlayson, Canadian superintendent of insurance; executive officer, J. Grove Smith, dominion fire commissioner.

### Change Hail Management

J. C. B. Inkster, Brandon, Man., who has been the Niagara's hail general agent for several years, has resigned to become hail adjuster for the World F. & M. H. L. McGill and F. S. Booth, associates of Mr. Inkster, will handle the Niagara general agency from the same office as formerly, under the name of Niagara Hail Agencies.

## MOTOR INSURANCE NEWS

### New Auto Rates on Monday

Substantial Increases Made in Cost of  
Collision Coverage—Fire, Theft  
About the Same

NEW YORK, June 23.—The new automobile fire, theft, comprehensive and collision premiums, as promulgated by the National Automobile Underwriters Association, become effective next Monday throughout the country, except in those 51ing states that have not yet given approval.

The new collision rates represent quite an increase especially on the first and second age groups. The increases, in some cases, amount to as much as 50 percent. In the third age group, by and large, there is a slight increase whereas there is little change in the fourth age group.

### Fire, Theft Rates Unchanged

The fire, theft and comprehensive rates are about the same as they have been.

The increase in collision rates, it is believed, will satisfy the big writers of auto finance accounts.

In a good many jurisdictions the minimum premium has been increased from \$3 for coverages other than comprehensive and \$5 for the comprehensive to \$5 and \$6.

The Oklahoma insurance board has already approved the filings in that state.

### Await Official Sanction

In West Virginia, Kansas, Missouri and Coast states the changes will become operative when officially sanctioned. The association has no control over Louisiana, Texas and Michigan, the former two states preparing rates by their particular boards, while the severe anti-compact law of Michigan forbids cooperative rating methods.

There is no change in the present provision for writing automobile trailers.

The manual is smaller in size and simpler in arrangement than that previously in use.

As with the 1936 manual the new edition contains a supplemental rate and premium card for all sections save Chicago, showing in abridged form rating information for important makes of cars, which may be detached from the volume and carried in the pocket.

Separate manuals are issued for New York state and for the Chicago territory. The eastern manual embraces Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, District of Columbia, Pennsylvania, Rhode Island and Vermont.

In the southern field separate manuals cover Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee and Arkansas. In the western field each of these states has its own manual: Illinois, (exclusive of Chicago), Indiana, Iowa, Kentucky, Minnesota, Nebraska, North

Dakota, Ohio, Oklahoma, South Dakota, Tennessee and Wisconsin. A single manual covers Colorado, Wyoming and New Mexico. For the convenience of home offices, branch offices and general agencies the association will distribute a countrywide manual.

### New Jersey to Check on Anti-discrimination Law

NEW YORK, June 23.—When all companies authorized to write automobile fire, theft and collision in New Jersey have replied to the inquiry of Commissioner Withers as to their rate-charging practices on financed car business, the department will know what offices are guilty of violating the anti-discrimination law by granting indemnity at a flat rate per \$100 of liability. It is believed that the inquiry was prompted by complaint that certain companies, notably one non-association stock office and various New England mutuals, were writing the business at a flat rate in violation of the statute.

The mutuals have been most aggressive in seeking financed business from banking institutions of New Jersey, and through the offer of a flat rate, irrespective of the value of the cars covered, have made considerable inroads on the business of the orthodox carriers, which as the law of the state requires, are charging manual tariffs graded according to the make, age and insurable value of each machine.

### Say Agents Partly to Blame

NEW YORK, June 23.—Officials express surprise at the statement of W. O. Wilson, president National Association of Insurance Agents, before the meeting of the Kentucky agents that the National Automobile Underwriters Association fails to enforce its rule prohibit-

ing members from appointing automobile dealers, garage proprietors, etc., as agents. Company men declare that the agents themselves were initially at fault. They state that when the matter came up at a conference between company managers and local agents several years ago, the latter frankly admitted their responsibility for inducing automobile men to solicit insurance coverage and later in securing agency licenses for them. Executives do not challenge the truth of Mr. Wilson's charge, but they contend he should not have placed the entire blame on company men.

### Expect Michigan Bill's Passage

LANSING, MICH., June 23.—A somewhat improved situation as regards the writing of automobile insurance for finance companies in Michigan is anticipated if the legislature enacts, as now indicated, a bill providing for the licensing of automobile dealers. This measure contains a section pertaining to the insurance dealings of dealers using finance facilities and sets up safeguards protecting the car buyer. The proposed law would require that specific information relative to the coverage provided be furnished the contract purchaser.

### Auto Superintendents' Outing

The Automobile Superintendents Club of Chicago is having an outing Friday of this week at the Mohawk Country Club near Bensenville, Ill. Earl Miller of the Providence Washington is chairman of the golf committee.

### New Jersey Carrier Formed

Incorporation of the Interstate Insurance of New Jersey to write automobile lines only has been completed. It has \$200,000 capital and \$100,000 paid in surplus. Liability will not be written, but fire, theft, collision and all risks will be handled.

Horace Corbin, executive vice-president Fidelity Union Trust Company of Newark, is president. E. B. Mallette and D. A. Leary are vice-presidents; C. K. Corbin, partner in the law firm of Collins & Corbin of Jersey City is secretary and P. A. O'Neil is treasurer. The head office will be at Newark.

Mr. Mallette is an officer of the old Connecticut Plate Glass of Torrington, Conn. and was associated with his father in the Connecticut agency of James Mallette & Son. Mr. Leary has been an officer of the Motor Finance Company of Newark. The new company will enter eight states.

### Cottingham Farm Mutual Secretary

EMMETSBURG, IOWA.—Omro Cottingham, member of the Palo Alto county board of supervisors, was elected secretary of the Farmers Mutual Insurance Co., here, succeeding George Downs, resigned, who had held the post 21 years.

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## MARINE

### Marine Insurers Watch U. S. Bureau's Fire Regulations

Marine underwriters are interested in the ruling of the federal bureau of marine navigation requiring all boat owners to equip their craft with proper fire protection apparatus, which includes even outboard motor boats. There is a \$100 fine for non-compliance.

Marine insurers covering yachts and other small vessels either inspect the risk before getting on it or have certain safety requirements that must be met. For larger boats the National Fire Protection Association's marine section has a list of regulations. The fire hazard in outboard motor boats is not so great, due to the power plant's being suspended away from the vessel and the small amount of gasoline stored.

The government edict applies to boats wherever used, since either the coast guard or the marine navigation bureau has authority over water transportation. According to K. M. Walker, Chicago marine surveyor, fire fighting equipment should contain carbon dioxide instead of carbon tetrachloride, since the former is more effective in fighting gasoline fires and does not create poisonous gases.

#### D. H. Davies on Circuit

D. H. Davies, inland marine manager Phoenix-London group, New York, is visiting middle western offices. He stopped at Indianapolis and Chicago and will go to Minneapolis before returning to the United States head office.

### KENTUCKY MEETING

H. T. Davidson, assistant treasurer of the National Association of Insurance Agents, was a visitor at the meeting of the Kentucky Association of Insurance Agents in Louisville.

**Committees were:** Resolutions: W. C. Vaughn, Louisville, chairman; J. H. Gausepohl, Covington; J. J. Hackworth, Shelbyville. Nominations: W. A. Reisert, Louisville; Addison Whitt, Winchester; J. E. Fall, Fulton.

**A. G. Chapman**, Louisville, in discussing special or unsold lines, urged specialization on a single line. He held that better results could be obtained in this way, than in merely trying to sell all lines and not making a drive on any.

**M. L. Clevlen**, Poplar Bluff, Mo., president of the Missouri Association of Insurance Agents, made a hit with his fine personality and ability as a speaker.

### Michigan Field Group in Gathering at Port Huron

(CONTINUED FROM PAGE 12)

National, and W. N. Achenbach, Chicago, western manager Aetna Fire.

O. D. Wiche, Phoenix of London,

was elected president of the prevention association. He succeeds R. N. Menzies, Great American. J. F. Nehman, Fire Association, was elected vice-president succeeding W. S. Byler, Fireman's Fund; J. F. Bohrer, Camden, and J. J. Hubbell, Security of New Haven, were reelected secretary-treasurer and assistant secretary, respectively.

The executive committee soon will be appointed by the president and will convene early in the fall to plan for the year's work. Past Presidents Pritchett and Rogers were honored for their constructive leadership. Secretary Bohrer reported on the town inspection program. In Mt. Clemens, Jackson, Kalamazoo and Traverse City 1,049 risks were inspected and 2,274 recommendations made, 40 percent being complied with; 727 adults and 11,697 school children were reached with fire prevention messages.

W. C. Howe, Firemen's of Newark group, presided at the meeting of the field club composed of bureau field men. C. H. Herrick, Jackson, Milwaukee Mechanics, was elected a member.

J. F. Rogers, North America fleet, who succeeded G. R. Pritchett as president several months ago when the latter was transferred to Indiana as state manager for the American of Newark, was reelected president of the underwriters' association. G. R. Edleman was reelected vice-president, and W. D. Cameron, Boston and Old Colony, was reelected secretary-treasurer.

Several company executives, including A. F. Powrie, W. N. Achenbach, G. K. March, and Raymond Waldron, vice-president Detroit F. & M., spoke briefly.

C. A. Dafoe, North British & Mercantile, later was named chairman executive committee.

### Kentucky Agents Reelect D. R. Peel

(CONTINUED FROM PAGE 5)

"Unsold Lines," presided over by A. G. Chapman, Louisville Board of Fire Underwriters, with T. C. Underwood, agency superintendent of the America Fire's western department, discussing allied fire lines; E. D. Lawson, western department marine manager of the Fireman's Fund, inland marine and personal property floaters, and J. Dillard Hall, assistant agency director of the U. S. F. & G., talking on casualty and surety.

Major W. H. Hansen, state supervisor of safety, discussed highway safety work of the state safety commission. He was introduced by G. R. Reed, Columbia, Ky., chairman of the accident prevention committee, who made a report.

W. Owen Wilson, Richmond, Va., president of the National Association of Insurance Agents, spoke on National association activities. Reports were made by Peyton B. Bethel, secretary-treasurer, and Judge Harry B. Wilson, Irvine, Ky., membership committee chairman.

Addresses of welcome were made by M. W. Boedeker, president Louisville

Board, with response by J. H. Gausepohl, Covington, Ky., a past president. Greetings were heard from Wallace W. Smith, president Kentucky Fire Underwriters Association, and from Edgar N. Taylor, president, Louisville Casualty & Surety Association.

A session was devoted to business development with Wallace Rodgers, assistant manager of the Western Underwriters Association, and M. L. Clevlen, Poplar Bluff, Mo., discussing business development and education and plans for developing Kentucky along lines used in Illinois, Missouri and elsewhere. Mr. Rodgers outlined plans for dividing Kentucky into nine zones, each with a chairman and co-chairman, and an organization made up of local agents and field men, plus a 10th or central committee.

Donald H. Putnam, Ashland, Ky., reported on retrospective rating and J. H. Hines, Atlanta, southern manager for

Crum & Forster, discussed the menace of consumer cooperatives.

A meeting of the new officers with the executive committee was held following adjournment; and also a meeting of all general and zone committee members for the launching of the business development program in Kentucky.

Insurance Director Goodpaster was unable to attend.

#### Peel Gives Report

A successful year was reported by President Peel, the membership reaching an all time high. The association is on a sound financial basis. Cooperation with the insurance department was reported and Insurance Director Goodpaster was commended for his handling of the new resident agents law, his fleet definition and his campaign against non-admitted companies. The association's compensation committee secured adoption of the retrospective rating plan, despite opposition, Mr. Peel said. The

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business development program was interrupted by the flood last winter but plans are being made for its resumption and the holding of regional meetings. Mr. Peel praised the work of G. R. Reed, national councillor and chairman of the safety committee. The cooperation of the Kentucky Fire Underwriters Association was recognized by Mr. Peel. He stressed the necessity for strong local boards and thanked the Louisville Board for its generous assistance during the year. The work of the secretary's office was commended and much of the association's success was attributed to its efforts by Mr. Peel.

#### Warder Discusses Farm Cover

The importance of farm insurance in Kentucky was stressed by L. G. Warder, Hartford Fire assistant western general agent in charge of the farm department. Farm insurance must be extended to protect the investment in agriculture and its products which is one of the basic industries of the state. However, there is probably no class of property insurance which requires greater care in selection than farm business, said Mr. Warder. Agricultural conditions reflect quickly in farm underwriting experience so a considerable degree of judgment and caution is necessary in selling and writing farm insurance.

The farm agent must not only produce business, but select it. The application plan has proved to be the best as it enables the agent to gain a full knowledge of the risk. The farm agent must be especially trained to understand farm values and the application of coverages necessary to properly protect the values of his client. He must periodically check the coverage to keep it up to date. Fire prevention work is especially important, said Mr. Warder.

### Main Changes in Illinois Code Bill Are Examined

(CONTINUED FROM PAGE 5)

be made in any municipally owned utility. The code has eliminated the provision in the 1933 act requiring the disposition of defaulted water works bonds within one year of the default unless the default has been made good within six months after it has occurred.

#### FHA Mortgages Allowed

Insurers may now invest in bonds and notes secured by mortgages insured by the FHA, in debentures issued by the FHA administrator, in securities and shares of building and loan associations issued under the national housing act, and in bonds issued by the Illinois armory board.

There is a prohibition against making a loan on real estate or on any other asset if any officer or director of the company has a financial interest in the property.

The rights of minors to contract for life and accident and health insurance have been clarified. A minor 15 years of age or more may contract for such insurance with the same effect as if he were an adult, and he may likewise exercise all rights or privileges under such policies including the surrender of his interest therein.

An important new section prohibits the declaration of dividends to stockholders from unrealized appreciation of assets. In the past, two or three of the life companies in Illinois that failed, marked up the value of their real estate and then paid out big cash dividends to stockholders.

#### Vexatious Delay Penalty

A new section to which all classes of insurers took exception subjects the insurer to a liability for reasonable attorney fees for "vexatious delay" in making settlement of a claim. Such fees are to be fixed by the court subject to certain limitations, but in no event may exceed \$500 in any one case.

The article governing liquidation and rehabilitation of insurers is compre-

hensive, progressive and workable, Mr. Moser states. The complete uniform liquidation act that was recommended to the insurance commissioners convention by the American Bar Association has been adopted. This makes the New York and Illinois laws in this respect uniform. The liquidation article is designed to insure fair, equitable treatment for all policyholders and creditors of a defunct company, regardless of the location of its assets.

Only the insurance director may be appointed liquidator, rehabilitator or conservator. Receiverships now being administered by outsiders can be completed by them, however. Fees in receivership actions are now made subject to the approval of the department. Definite provision is made for rehabilitation of companies.

#### Wage Claim Priority

Claims for wages up to \$300 per employee for services rendered within three months prior to the receivership are given priority. In the past, the status of wage claims has been doubtful. Some courts have ruled one way, some another.

In the past there has been no provision for issuing group accident and health contracts. The code contains such a provision. It also permits the issuance of family accident and health contracts.

The premium tax base has been altered, so that the levy is now only on direct business premiums or on net premiums received before reinsurance, instead of, as in the past, after reinsurance.

There is a new article providing for the filing of automobile rates and policies and containing an anti-discrimination section. That latter section is not altogether clear. It is intended to outlaw what are known as fictitious fleet policies. The concluding two sentences of that section are:

#### Contradiction Is Seen

"The term 'fleet policy' as used in this section shall mean an insurance risk of five or more motor vehicles, all owned by one insured or all under one general management and used principally for business purposes. Under no circumstances shall motor vehicles owned by employees be included with or insured under a fleet policy of an employer nor shall special rates, charges, classifications or rules and regulations, be filed for insurance covering such employees' motor vehicles."

The first of those two sentences clearly gives permission to include employee-owned cars that are used principally in the employer's business. The final sentence, however, would seem to prohibit inclusion of such cars. Mr. Moser states it was the intention of the drafters to prohibit the inclusion of cars owned by the employee and used principally by him in his personal pursuits. Mr. Moser's interpretation is that employee's cars may be included only if used solely and exclusively in company business.

Then there is the new fire insurance rate law.

#### Time Given for Compliance

The code provides 90 days for setting up the machinery for compliance with the automobile and fire insurance rate sections.

There is likely to be a good deal of discussion of section 435 in the fire insurance rate law. It reads:

"Nothing in this article shall be construed to prevent the fixing or charging for any policy a reasonable minimum premium, or membership fee, provided such minimum premium or membership fee has the approval of the director."

As originally drafted there appeared after the phrase "reasonable minimum premium" the words "service charge." The reference to "service charge" was removed by amendment.

It was the intention of those who sponsored that amendment to outlaw the collection of a service charge. They were particularly interested in removing the \$1 charge that is collected from

assured in Chicago whose fire insurance premium is less than \$15.

That was one of the two amendments concerning the matter of service charge that were introduced. The one that was defeated added a new section specifically prohibiting the collection of service charges, surcharges, etc. The casualty people took violent exception to that amendment as they feared it would prohibit the collection of loss constants, expense constants, etc., and might interfere with the working of the compensation retrospective rating plan.

There is thus in the code no specific prohibition of a service charge. Whether the lack of reference to "service charge" in section 435 will be construed to mean that such a charge cannot be imposed, even with the approval of the director, remains to be decided.

#### Surplus Line License

No change was made in the agents and brokers qualification law. A new section was added to the code governing surplus line license. This is quite a broad section providing for the writing of surplus lines on any form of cover. There is a surplus line section in the brokers and agents' law. This is limited to certain classes. That section was not repealed and there are thus two surplus line regulations in the Illinois law. Mr. Moser expressed the belief that the one that is included in the code will govern.

The new New York standard fire policy is prescribed with the provision, however, that the appraisal clause in either the old or the new New York form may be employed.

Orderly provisions for review of all decisions of the insurance department are set up.

A new provision is included permitting the merger of domestic and foreign companies. Elaborate provisions are set up regarding mergers of all kinds.

### K. H. Bair Demands 'Clean Separation'

(CONTINUED FROM PAGE 5)

"merely a commission grabber." The same theory, he declared, applies to agencies who may represent only stock companies, but who may have one or two cut raters to use in competition. "If that cut rate company's policy and financial stability is as sound as the organization company," he asks, "then why should he not sell that coverage to all his clients? The agent of today must be far seeing, be willing sometimes to lose business and the resulting commission in order to maintain the confidence of the insurance buying public by selling only the soundest and best coverage which it is possible to obtain."

#### Domestic Mutual Angle

He referred to the fact that in certain places domestic mutuals have built a fine record under sound management. Agents in the neighborhood are inclined to believe that they will lose business unless they are able to offer this mutual coverage. "I have always believed," Mr. Bair said, "that the possibilities of losing business under such circumstances have been greatly magnified inasmuch as any salesman, no matter what line he is handling, is a better salesman as the result of sticking to right prices and in the end he profits most by such procedure."

He criticized stock tariff companies for seeking representation in agencies that represent participating or cut rate companies and for permitting stock company agents to take on such form of representation. Companies that do this, he said, are just as much premium grabbers as the agent is a commission grabber.

#### Sees Clean Separation

"I believe," he declared, "that the time is rapidly approaching when there must be a distinct and clean separation between stock companies and their agents and participating companies and their agents."

Mr. Bair contended that the mutual

and reciprocal companies are in the class of consumer cooperatives.

"We must not attempt to carry water on both shoulders but must cast our lot either with the one type of company or the other and demand that our companies join us in this movement by doing their part in refusing to remain in agencies which represent mutual or reciprocal companies." The national and state associations of agents, he said, are maintained by stock company agents. Many state associations do not prohibit their members from representing a participating company but they do provide each member must represent a stock company. Thereby, at least by inference, they define the organization as agents of stock companies.

### State Officials Are Holding Their Big Annual Gathering

(CONTINUED FROM PAGE 19)

cut when he was president and it was voted down. In theory, he said, it is splendid but it has some very material dangers in it. It would delegate to an outsider power that should only be reposed in a commissioner. Gough made a motion to disapprove the report which was carried unanimously.

Pink reported for the committee on revision of the standard fire policy and it was adopted.

After Chairman Harrison reported for the unauthorized committee, King of South Carolina, said his resolution commending Postmaster General Farley for barring the mails to deceptive cooperative concerns in no way suggested federal legislation. He said 136 outfits are raiding South Carolina and yet he has no jurisdiction over them. He feels the postoffice department can use its facilities to advantage in curbing these fraudulent outfits.

Henry S. Moser of Chicago, chairman insurance committee Illinois Bar Association, feared the inference might be drawn that federal control was recommended.

O'Malley of Missouri contended that the commissioners could control the situation and should not run to the federal government. He asserted that an appeal to Washington always has an element of danger. He condemned the Sabath Congressional investigating committee, saying it had done great damage to the General American Life. He declared this committee's wings had been clipped and would not be heard from again. He also hurled hot shots at James P. Sullivan of Chicago, Sabath committee precursor.

Bowen of Ohio claimed that two concerns at Kansas City, licensed only in Missouri, do business in Ohio by mail and he can get no action. Mr. O'Malley challenged the Ohio charge. The King resolution, eliminating reference to South Carolina, was unanimously adopted.

#### Taxation Report Given

De Celles of Massachusetts reported for the taxation committee as follows:

"At the meeting in Hot Springs, Ark., last December there was referred to the committee on taxation two problems, namely:

"A standard basis for taxing premiums and a standard method of allocating taxes on floater risks.

"Your committee believes that since the tax statutes of the various states are rather complicated it cannot present to this convention a uniform bill but after a study of the matter makes the following recommendation:

"That each supervisor of insurance consult with the tax department of his state and frame proper legislation to the end that all insurance taxation be upon the following formula:

"Gross premiums minus cancellations minus return premiums. Your committee further recommends that no taxation be placed upon reinsurance. The question as to whether mutual dividends shall be considered as return premiums is left to the decision of the various states. Your committee feels that the percentage of tax is a matter which is



solely the concern of the individual states and makes no recommendation upon the matter."

"Your committee has found considerable difficulty in ascertaining and agreeing upon a standard method of allocating taxes on floater risks. Several methods have been suggested all of which have merit.

"It has been proposed that (1) such risks be taxed in the state in which the policy is negotiated; (2) that such risks be taxed in the state where the shipment originates; (3) that such risks be rated upon a mileage basis; (4) that such risks be taxed upon the basis of crop production; (5) that such risks be taxed upon the so-called equitable basis which is taxation in the state in which the owner of the property resides regardless of other considerations.

"Your committee feels that it should be given further time to develop statistics and studies upon each of these bases. After such statistics are compiled the results of such studies could be sent to the commissioners of each of the states for an expression of opinion. The results of this mail poll could then be submitted to the various states and the commissioners of such states could issue appropriate orders or interpretations. It is not felt by your committee that legislation should be passed on this matter because the nature of this type of risk is constantly changing and regulation in regard to it should be sufficiently flexible to allow for change without the necessity of going to legislatures."

At the Pamunkey ceremonial Tuesday evening Joseph Button, manager Stock Company Association, was the chief. J. R. Dumont, manager Interstate Underwriters Board, was scribe; Attorney Thomas Watters of Washington, D. C., was guide, while E. C. Stone, Employers Liability, served as usual as prelate. C. C. Klocks, Northwestern Mutual Life, was scribe.

#### Standard Fire Insurance Policy

At the meeting of the standard fire policy committee, Pink of New York, chairman, presented a proposed draft, simplified and modernized. There have been a number of eliminations, now accomplished by rider. The Massachusetts appraisal clause is used because it is binding on both sides. The tentative form will be mimeographed and sent to persons or organizations interested, for comment.

#### PINK'S BANQUET TALK

Superintendent Pink in his banquet address said: Philadelphia is the birthplace of the insurance industry of this country. It was the center of insurance before any companies had been organized in the colonies. In 1705 William Penn wrote a man named Askew that he had "ensured one hundred pounds upon thy letter but the insurer broke, and the twenty guineas lost. Ensurers fail much." One of the first great life companies organized south of New York, the Penn Mutual Life, was named after the founder of the colony.

In 1752 the oldest fire company was organized here, the Philadelphia Contributionship for the Insurance of Houses from Loss by Fire. Benjamin Franklin, who may well dispute with William Penn the title of founder of Pennsylvania, headed the board of directors.

#### Volunteer Fire Fighting

Soon after this company was started Franklin organized the first volunteer fire fighting company in the colonies. Philadelphia was then a city built almost entirely of wood. He invented the lightning rod and conducted an educational campaign to popularize it not only in the colonies but in Europe. Thus early was prevention closely identified with the payment of loss.

"Seven years later was organized the oldest life company in the United States. It was operated on a fraternal or friendly society basis as were all of the earliest companies. It was known as 'A Corporation for the Relief of Poor and Dis-

tressed Presbyterian Ministers and of the Poor & Distressed Widows & Children of Presbyterian Ministers.' Franklin provided the statistical data and much of the inspiration.

"From the time of his youth Franklin had been interested in life insurance. When he was employed as a reporter on his brother's paper in Boston, the 'New England Courant,' he published letters and articles under the name of 'Silence Dogood' which often got his brother in trouble. When he was in his teens, Silence Dogood urged life insurance upon the good people of Boston.

#### Franklin Urged Life Insurance

"When Franklin had become a citizen of Philadelphia he urged life insurance upon the public as 'calculated to prevent poverty which is a rather better thing than relieving it,' and in later life when he had been sent to London as the agent of the colonies, he continued his interest in life insurance, pointing out that large amounts were paid in England to widows and orphans when it was almost their only recourse and that many a widow and orphan had cause to be thankful for the advantages of life insurance.

"In 1794 the Insurance Company of North America, the oldest stock company and the earliest commercial insurance company in the United States, was organized. In the beginning this company insured lives as well as against fire and other types of commercial risk. All of the older companies engaged in fire insurance had plaques called 'fire marks' which were placed upon the houses they insured. This company used the eagle as a fire mark. In the early days the fire companies contributed to the expense of the volunteer fire departments and the fire marks were put on the houses so that the firemen would know which company insured the house. The companies which contributed got special service while if a house had no fire mark it might be allowed to burn.

"The first life company proper in the country, the Pennsylvania Company for Insurance on Lives & Granting Annuities, was organized at the outbreak of the war in 1812 but did not issue a policy for 10 years. During this period it studied the English companies and took advantage of their experience.

#### Insurance and the Depression

"Insurance has come through the recent depression on a more solid foundation than ever and with prestige enhanced. The billions of dollars which it poured out to meet obligations during this period when other sources were sterile did much to minimize suffering and bring the country through the trying period without serious disaster. While the financial depression is decidedly on the mend, there are altogether too many difficult problems still confronting us. There has seldom been a time of such stress, confusion and lack of understanding in the economic world as is evidenced by the industrial unrest and disorder rampant in this state and in the nation as we meet here tonight. Distress, lack of confidence, inability to agree upon fundamental policies are doing much to undermine the confidence of the people in democratic government. Insurance has not fulfilled its obligation by coming through the panic practically unscathed from the financial standpoint. It has a grave obligation of leadership today. It controls vast sums of public moneys and must exercise that control without political partisanship and with the greatest intelligence and unquestioned fidelity. The reason that insurance stands so well is that those who manage insurance fully recognize that they are trustees of other people's money and servants of the public.

#### Insurance Relationships

"Insurance is closely allied with every social and financial activity. It is part of the woof of industry and trade, of the lives of individuals, of cities, states and nations. It must not, in any partisan spirit, selfishly stand against social progress nor the enlargement of the

rights and privileges of those who toil. It must keep its feet on the ground and speak in no uncertain tone for those things which are fundamentally safe and sound, for an honest currency, for living within our income, for paying our debts.

"Insurance should not oppose further and more effective governmental supervision in those directions where it is necessary for the protection of the people. We should not oppose centralization along national lines where it is necessary for the efficient working of our great institutions. But we should oppose arbitrary government control where that control is not necessary to the efficient functioning of the state. We should preserve the great body of insurance for free enterprise. There are some things which government must do and those things are increasing. But government should only do those things which private enterprise cannot do or fails to do efficiently and well."

The commissioners held their last session Wednesday morning. Read of Oklahoma reported for the examinations committee, relating the experience of the zone system to this date. De Celles of Massachusetts presented the committee report on taxation. Carpenter of California gave the report on interstate liquidations. Harrison of Arkansas gave the report of appreciation of all that was done by the Philadelphia insurance fraternity and Commissioner Hunt for the pleasure of the visitors.

King of South Carolina, in a humorous resolution, moved that Holmes of Montana be made sergeant-at-arms and placed at the right of the president. He took the position and immediately announced he abdicated but not for the "women I love."

Smrha of Nebraska, in report on fraternalism, recommended that a subcommittee be appointed to confer with a committee of fraternalists to draft a uni-

form code which could be made a model in the interest of uniformity. All these reports were adopted.

Col. Joseph Button, former Virginia commissioner and its long time secretary, was introduced and received acclaim. Miss Elsie Leavy, of the Texas department was introduced.

Geo. A. Bowles, vice-president, who presided at this meeting, was elected president without opposition. S. L. Carpenter, Jr., of California, defeated Ray Murphy of Iowa for vice-president by 25 to 18. Holmes of Montana nominated Carpenter and De Celles of Massachusetts sponsored Murphy. Murphy moved the election be made unanimous.

#### "Drive Other Car" Sells

Since the time that the rates for the drive other car endorsement were reduced earlier this year, company people report that there has been a gratifying increase in the sale of this rider. The new rates are in the form of a flat, even amount, rather than being a percentage of the premium for the third party coverage, as in the past. A good many agents are now adding drive other car protection to all their new and renewal business and the total volume of this insurance has shown a substantial increase.

#### Conkling, Price & Webb Outing

The golf outing of the Chicago agency of Conkling, Price & Webb is being held Thursday of this week at Glenbard Golf Club. A picnic supper will be served on the lawn of Lew Webb's home in Glen Ellyn. A silver cup is played for annually.

J. W. Blunt, vice-president Monarch Life, Springfield, Mass., was in Ithaca this week attending the graduation exercises of Cornell University where his son graduated.

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### FRIENDLY TRANSPORTATION FROM

### THE GREAT LAKES TO THE GULF

## Stevens Outlines His Plan for Financing of Premiums

(CONTINUED FROM PAGE 10)

of the unearned premium when a policy is canceled.

Mr. Stevens proposes that his plan be substituted for the agreement of the organization, stock fire companies with the First Bancredit Corporation of St. Paul.

The surety bond would guarantee to the banks and other financial institutions, to whom issued, the payment of the short rate return premium in fire insurance policies in any companies that are members of the Eastern Underwrit-

ers Association and that have given to the surety the written agreement to do identically the same thing that the bond guarantees to the bank. He proposes that certain surety companies issue a master indemnity bond jointly, they being Royal Indemnity, Hartford Accident, Fidelity & Casualty, Aetna Casualty and Great American Indemnity. Those companies might select other co-sureties from among casualty companies that are affiliated with fire companies belonging to the E. U. A.

Mr. Stevens proposes that in conjunction with the bond, certificates be issued by the banks on each note, each of which will carry a premium of 6/10 of 1 percent (figured on reducing bal-

ances) of the amount advanced by the bank for insurance premiums which they finance.

The bond will provide that the limit of liability is the short rate return premium, that the premium is being financed by an agreed note form, that the full premium has been advanced to the insurer or its agent, that a certificate has been issued by the bank before liability commences under the bond, that a copy of certificates and copy of note has been mailed to the sureties, that the interest charged does not exceed 6 percent simple interest (or legal rate), that in event of default a claim for return premium will be made within 10 days.

### Agents Borrow From Banks

Mr. Stevens observes that agents today are borrowing from banks to pay their accounts current. Banks depend entirely upon the agent's credit. Those agents not able to get accommodations at banks, use the services of finance companies. Under Mr. Stevens' plan, he points out, the bond becomes the security. The financing would be done in a properly organized manner. The banks would have a uniform system for conducting the business.

If this plan were substituted for that of the First Bancredit, Mr. Stevens observes, it would distribute local community premium financing to local banks, "a far healthier program than concentrating the premium financing business in one major company." Insurance companies would abandon the idea of organizing a premium finance company.

Mr. Stevens cites some of the conceivable circumstances under which sureties might have to pay under their bonds. In the event of a serious conflagration, some companies might become impaired and be unable to meet unearned premium demands. Then there might be failures on account of a "financial conflagration." Serious defalcation on the part of an officer or employee might cause a run on the insurance company and bring about a condition of insolvency. For some unforeseen legal reasons a fire company might withhold payment of return premium.

Inasmuch as the financing arrangement would apply only to E. U. A. companies, Mr. Stevens contends that the risk involved under the bond is at the very minimum.

Mr. Stevens has for the present at least abandoned the idea of having casualty premiums financed in this way.

## Reversal on Decision in Illinois Reciprocal Case

(CONTINUED FROM PAGE 25)

against each individual subscriber, if liability against him is to be enforced. Possibly a summons directed against a number of subscribers may stand if the policyholders are satisfactorily designated, but presumably a copy of the summons would have to be supplied for each subscriber. There is reason to believe that service of process on the attorney-in-fact or the director of insurance will bind the policyholder (the point avoided by Justice Shaw) but each subscriber must be treated separately, even though a single party accepts service for all.

Presumably, from the language of this decision, the judgments against the policyholders would have been upheld if a separate process for each policyholder had been served upon the director of insurance and a separate copy of each subsequent notice similarly served.

Apparently, it is not necessary to sue and issue summons against every policyholder, but only those summoned and served can be held liable.

### Reinsurance Involved

The plaintiffs in these three cases based their claims on reinsurance, the Ohio Millers Mutual on reinsurance premiums alleged to be due and the Lumbermen's Mutual Casualty and the American Motorists on losses paid by

them. Ohio Millers Mutual was upheld in both the lower and the appellate courts. The other two cases were in favor of the subscribers in the lower court, on the ground that the process lacked the seal of the clerk of the court, but were reversed by the appellate court.

The appellants in these cases were 10 policyholders, whose names had been included in the list attached to the summonses. After default judgments had been returned against them, they filed limited appearances to contest the validity of the process.

## Relation of Cashier to Bank

### Misrepresentations Made by Him in Application for Bond Didn't Prevent Bank From Recovering

The fact that a bank cashier made misrepresentations in applying for a fidelity bond in behalf of the bank does not absolve the insurer of liability for dishonesty losses caused by that same cashier. This was the decision of United States circuit court of appeals for the second circuit (New York) in Hall, as receiver, (Germantown National Bank) vs Aetna Casualty.

The misrepresentation consisted of the statement that an audit had been made June 18, 1929, that all accounts were then found to be correct, etc.

The higher court held that in applying for a bond to indemnify his bank against his own dishonesty, the cashier was acting for himself, and not for the bank, and in the false representation he was concealing facts which would have prevented the bond from being written had they been disclosed.

The bond was in the amount of \$25,000. It was signed by J. R. Du Bois, cashier.

### History of Case

De Witt, director and sole vice-president of the bank, who was treasurer of Columbia county, N. Y., diverted from his account as treasurer of Columbia county in the Germantown bank amounts totalling \$50,000 during the time the Aetna Casualty bond was active. The bank was unable to recover against the county and the surety upon De Witt's bond as treasurer.

The court found Aetna Casualty liable on the ground that the acts of Du Bois in facilitating the misappropriations of De Witt were dishonest and that the resulting losses were within the terms of the bond.

Du Bois had such an intimate relation to the business of the bank that he was responsible for allowing the checks which De Witt drew on the county funds to go through, and thus created the losses. It is immaterial that he did not profit personally.

The court also decided the question of timeliness of notice of loss against Aetna Casualty. The bond provided for giving of notice within 10 days after discovery of loss. The president and directors learned on Jan. 6, 1931, that De Witt was a defaulter, but according to the court they apparently did not learn of the dishonesty of Du Bois until Jan. 18 or 20. Notice of loss was given Jan. 22.

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*United States Branch*

*Statement December 31, 1936*

ASSETS

|                                    |                       |
|------------------------------------|-----------------------|
| U. S. Treasury Bonds . . . . .     | \$1,618,037.96        |
| Other Bonds . . . . .              | 1,126,384.52          |
| Stocks . . . . .                   | 144,581.00            |
| Accrued Interest . . . . .         | 23,718.47             |
| Cash in Office and Banks . . . . . | 124,993.03            |
|                                    | <u>\$3,037,714.98</u> |

LIABILITIES

|   |                       |
|---|-----------------------|
| Voluntary Contingency Reserve . . . . . | \$ 537,714.98         |
| Statutory Deposit, New York . . . . .   | 850,000.00            |
| Net Surplus above Deposit . . . . .     | 1,650,000.00          |
| Surplus to Policy Holders . . . . .     | <u>2,500,000.00</u>   |
|   | <u>\$3,037,714.98</u> |

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